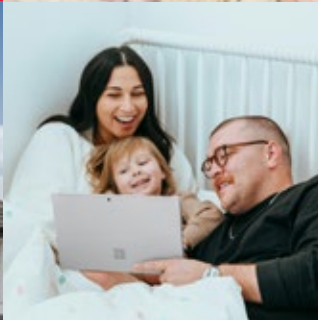


Shaping How Australia Homes Since 1949.







How
Australia
Homes



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As we enter our 75th year of business and look to the seven plus decades ahead of us, there's one thing that stands stronger than ever — we know how Australia homes.

From the very first home that our founder, Gary Simonds, built for his Mum in Altona in 1949, to the 50,000 homes we've built in the decades since, the vision of what we know as 'home' has evolved, but the value that we place in it hasn't.

Across the country, from Melbourne's bustling metropolis to the sandy shores of the Gold Coast and the meandering valleys of the Adelaide Hills, we are driven by our mission to build high-quality and affordable homes for every dream. By doing so, we strive to make the Great Australian Dream a reality by placing homeownership within Australia's reach.

In the face of challenges that have tested the building industry during recent years, we have remained steadfast, rolling up our sleeves to navigate through uncertain waters. This mindset continues to guide us today, as we emerge strategically equipped to face the challenges and opportunities ahead of us.

Built on strong foundations and designed to withstand the test of time, this enduring legacy will only continue to grow as we home the generations of families to come.

Why Simonds?

When customers choose Simonds Homes, they're not just investing in a house; they're investing in a home built to stand the test of time, tailored to their budget, and designed to surpass their expectations. This commitment to excellence is the Simonds Homes difference – and it's why we're the preferred builder for countless Australians.

How
Australia
Homes



Who we are

We're one of Australia's largest home builders of standalone single and double storey residential homes, dual occupancy projects and medium density housing across metropolitan and regional Victoria, New South Wales, South Australia and Queensland.

Our mission

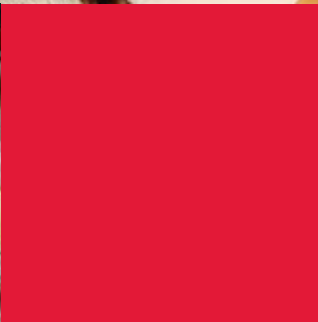
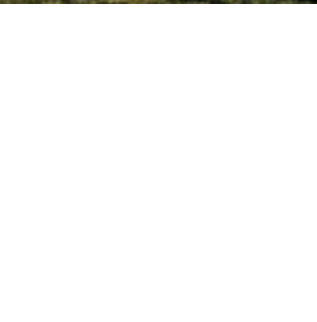
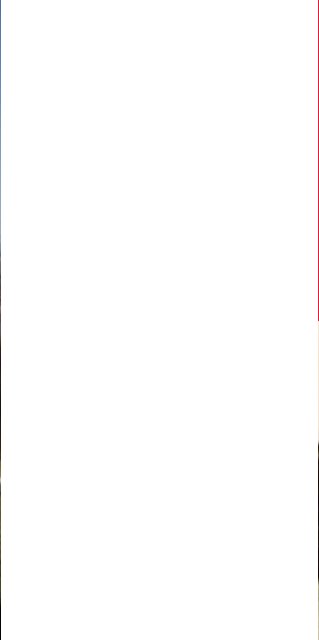
Our mission is to craft high-quality, affordable homes for every dream. This principle propels us forward each day as we strive to be Australia's leading builder measured by shareholder value, customer advocacy, quality and design.

Our purpose

At Simonds, we don't just build homes; we build the Australian dream – a dream that is as diverse, resilient and inspiring as the people who call it home. Our country is home to all – and because belonging looks different to all of us, 'home' will always look different too.

Our values

Our identity is defined by our values; customer centricity, accountability, teamwork, communication, innovation and financial responsibility. All of which are underpinned by our commitment to safety, which guides us in everything we do.



How Australia Homes.

Home. For most of us, that's the Great Australian Dream. More than a house, home is where we find comfort. Where we feel safe. It's the place where we truly belong. The value we place in 'home' is undeniable. It's what defines us, because home is about more than where you live, it's about who you are.

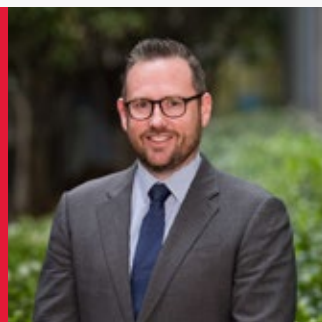
That's what moved Gary Simonds to build the very first 'Simonds' home, for his mum back in 1949. We've given every home the same care since, because to most Australians who build with us, it's their first time too.

For 75 years, we've worked hard, through invention and innovation. Making this Great Australian Dream a reality by placing homeownership within Australia's reach. Our country is home to all - and because belonging looks different to all of us, 'home' will always look different too.

We know Australia. We've been building it for a long time. Simonds has homed generations, and we understand the distinct fabric of our country because we build more of it every day. It's this legacy and knowledge that will help home families for generations to come. Because at Simonds, we don't build a home just for the building, we build it for the life that fills it.

Simonds has helped shape Australia. Few can say that. Whether we're looking back at the homes of yesteryear, what we're building now, or everything that's still to come.

We've not only shaped what Australia looks like, but more importantly, how Australia homes.



It is with great pleasure that I present to you the Simonds Group Annual Report for FY2024.

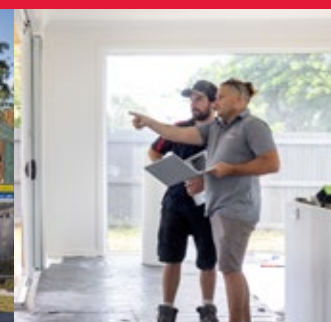
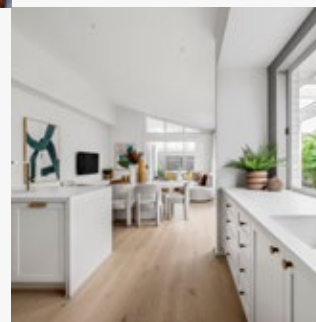
Dear Shareholders,

During the last 12 months, we have experienced a pivotal period of growth and transformation as a business, underpinned by a new strategic direction and enhanced financial performance.

After years of challenging conditions for the sector – many of which still continue to linger today – we enter our next chapter as a business equipped with the dynamic vision, expertise and people to face these new frontiers head-on and remain agile in an ever-evolving market.

Looking back at all our accomplishments and milestones for the year, I have immense gratitude to the Simonds team, our valued suppliers and our wide network of stakeholders for their resilience, hard work and unwavering support.

Whether they're building homes on-site, riding thousands of kilometres to raise money for sick children at Monash Children's Hospital or representing Simonds in Federation Square for lively Diwali celebrations, our people continue to reflect our core values every single day. It is because of this that I not only feel great excitement when I look to the future, but that I remain deeply confident in our ability to deliver enduring value, innovation and growth to our shareholders and community.



How
Australia
Homes



Strategic diversification

We unveiled our commitment to market expansion and diversification of our revenue streams, both of which will allow us to navigate challenges faced by the Greenfields sector, most notably the implications of the cost-of-living crisis.

Leading indicators suggest that these issues of affordability will continue to adversely impact buyers across the country. With this in mind and led by our guiding principle of 'high-quality and affordable homes, for every dream', we began to address the persistent pain points amongst buyers by pursuing alternative housing opportunities beyond our traditional roots. At the forefront of our diversification strategy has been the shift to pursue medium density opportunities; leveraging our scale and buying power

to bring favourable townhome solutions that balance both affordability and aesthetic appeal to market.

In addition to our renewed focus on the medium density sector, we launched Ready Now, a collection of ready-built homes designed to compete with the established real estate market offering. Both initiatives have been implemented to reduce our dependency on specific regions and buyer segments, while also complementing our traditional segment of stand-alone, residential home builds. Residential builds have long been the foundation of what Simonds is built on, and we look to the future with great excitement as we continue to lead the way in product innovation and design.

Financial performance

Despite facing various market obstacles, such as inflation and interest rate challenges, we have made proactive, strategic decisions in the past year to position ourselves favourably to deliver enduring returns to our shareholders.

In February 2024, we announced an EBITDA of \$12.1 million dollars in our half yearly results. This signalled a strong upturn in financial performance; the result of long-term strategic decisions around recalibrating site starts, reducing overheads and pursuing channel diversification.

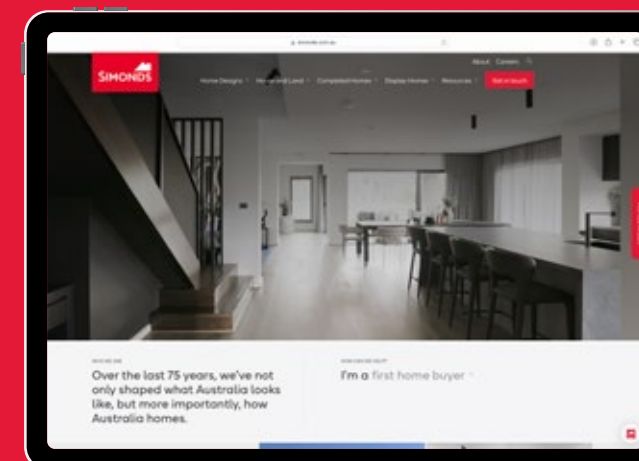
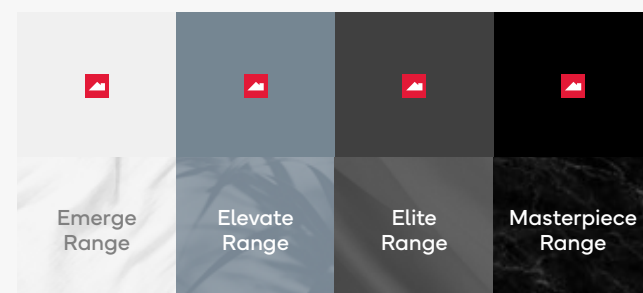
This upward trajectory continued for FY2024, after we recorded an EBITDA of \$23.4 million, marking a remarkable \$34.7 million turnaround compared to the previous financial year. Although higher interest rates, reduced borrowing capacity and cost of living pressures will continue to impact the residential market for the foreseeable future, we remain confident not only in our strategic approach, but our financial stability and strength to navigate the obstacles and opportunities ahead.



Evolution of brand & product hierarchy

As we entered our milestone 75th year of business, we had a moment to pause and reflect on a rich legacy that spans seven decades of building family homes. Behind the scenes, we were expanding and innovating our product offering and we required a new brand position that reflected this enhanced momentum. From here, How Australia Homes, was born. Along with capturing our rich enduring legacy, How Australia Homes also acts as an inspiring call to action for prospective buyers — a call that encompasses the unique Australian way of life.

How Australia Homes celebrates the instrumental role we've played in shaping how Australians have lived over the past seven decades. With our revised product hierarchy of homes; *Emerge*, *Elevate*, *Elite* and *Masterpiece*, and our renewed strategic diversification, we are well equipped to bring the Great Australian Dream within reach for buyers for another 75 years and beyond.



How
Australia
Homes



A rich legacy
that spans seven
decades of building
family homes.

Assisting families after the Porter Davis collapse

A significant shift we navigated was in response to the collapse of Porter Davis Homes, which led to an unprecedented influx of insurance jobs at the Victoria Managed Insurance Authority (VMIA). In the wake of the insolvency, we recognised the need to provide assistance to the impacted customers and we swiftly established an Insurance Rectification Division to facilitate the completion of unfinished homes for customers from Porter Davis and other builders impacted by insolvency.

Our initial priority was assessing our yearly forecast and recalibrating our number of site starts to ensure that current clients would not be impacted by these additional jobs on site.

We then set out to streamline the process by working closely with the VMIA on developing processes, working with Porter Davis suppliers to minimise impact on their businesses and constructing these homes according to original designs and contracts at no additional cost. With over 400 Porter Davis jobs on site and 12 builds settled so far, we are immensely proud of the work conducted by our Insurance Rectification Division and Construction Teams, and we feel privileged to assist these families in getting their homes back on track.

Outlook and acknowledgements

Reflecting on the past year, I am extremely proud of the continued efforts of our hundreds of staff across the country. Highly skilled, dedicated and engaged, they continue to deliver exemplary results across the board. Although external challenges continue to persist, I am confident that our hard work from FY2024 will provide the strategic groundwork needed to successfully navigate the obstacles and opportunities that face the industry in FY2025.



David McKeown
Chief Executive Officer (CEO)

Thank you for your continued trust as shareholders. We deeply value your ongoing support as we look to the future with optimism and excitement over what the next 12 months hold. ▲



How
Australia
Homes

We don't just build
homes; we build
the Great Australian
Dream.

EXECUTIVE
CHAIR ADDRESS

Rhett Simonds,
Executive Chair



How
Australia
Homes

Dear Shareholders,

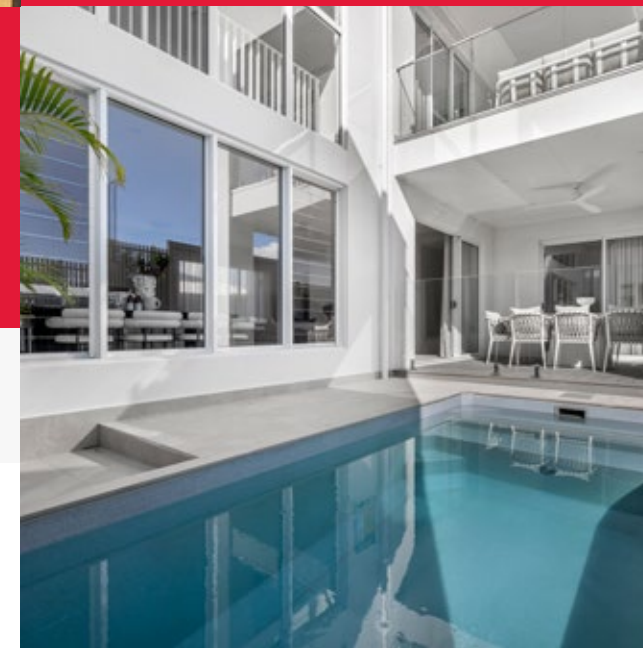
**The challenges and opportunities
of the construction landscape.**

Over the last 75 years in business, we have witnessed first-hand the impact of external market conditions, both domestic and international, on consumer buying patterns and sentiment in the construction sector. Through the oil crisis and inflation spikes of the 1970s to the high interest rates and rising unemployment of the 1990s, we have continued to build quality family homes despite challenging conditions. Simply, we have been through it all before.

The current climate we are experiencing is no different. Significant interest rate hikes, the cost-of-living crisis and higher land prices have combined for a challenging environment, curbing consumer confidence and delaying entry into the market. This question of affordable housing continues to dominate the Australian media landscape, but importantly, it is one that Simonds as a business is well primed to answer. We stand strong in the belief that the Great Australian Dream of homeownership is alive; achieved through providing families with a diverse range of housing options that align with their way of life. As we reflect on our performance in the face of external challenges, we also look to future opportunities in market and how we can leverage these in our mission to deliver quality and affordable housing to all who call Australia home.



We stand strong in
the belief that the
Great Australian
Dream of home-
ownership is alive.▲



Looking back at FY2023-2024

Stabilisation of labour, trades and supply chain management.

In recent years, challenges facing the construction sector were largely dominated by labour and material spikes, prompted in large by the COVID-19 pandemic, natural weather disasters, geopolitical pressures and international conflict. Although adverse effects continue to linger, particularly regarding labour costs, the past year has seen a significant stabilisation in material costs. According to RPM Group, in the year up to Q4 2023, raw material costs increased a modest 1.3 per cent, compared to the 14.2 per cent increase recorded in the year to Q4 2022. In particular, lower costs of early-stage construction materials, such as steel, timber and cement, largely influenced this shift, suggesting a stabilisation in these key raw construction materials¹. With supplier relationships that extend back decades, we are confident in our ability to navigate any future challenges that arise with these valued, longstanding partnerships by our side.

Changes to the National Construction Code (NCC)

The past year also saw the changes to the National Construction Code (NCC) come into effect, which outlined new building guidelines pertaining to energy efficiency, accessibility and liveable housing. At Simonds, we welcomed these industry-wide changes and the long-term positive impact they would have on

the future of liveable housing in Australia. In response to the announcement, our Product and Innovation Team dedicated a significant share of the past 2 years to incorporating these new guidelines into our product range, ensuring that each of our homes complies with the industry restrictions. Changes included a 7-star rating as standard, increased accessibility in doorways and hallways, wall reinforcements and enhanced insulation. As a result, customers will not only receive more accessible homes – which is particularly important in the context of Australia's ageing population – but they will also reap the long-term benefits of greater energy efficiency and the savings generated as a result. As we continue to strive for continual improvement and innovation in our product offering and construction practices, we seek to drive meaningful and lasting change and deliver real value back to the families that call a Simonds house, home. .

The ongoing impact of the cost-of-living crisis

At the forefront of consumer and media sentiment has been the ongoing cost-of-living crisis, which has impacted families in a myriad of ways across Australia. Rapidly rising interest rates and high inflation growth have continued to stall household expenditure and place increased strain on family budgets. RPM Group reported a decrease in discretionary spending of 0.9 per cent, while expenditure on essential items increased by 0.7 per cent at the end of 2023.



EXECUTIVE
CHAIR ADDRESS

Having been ingrained in the business for so long, we have many supply chain relationships that have been in place for 30,40 and even 50+ years. It is through the management of these relationships that Simonds finds itself in a good position from a supply chain and logistics perspective. ▲

RHETT SIMONDS
EXECUTIVE CHAIR



Although tax cuts will seek to provide consumers with reprieve in the second half of 2024, it's expected that a large portion of these returns will be used to replenish diminished savings that were relied upon for escalating costs of essential items². Despite these external financial pressures, we continued to record stable sales figures throughout each quarter, with particularly high rates of deposits recorded in the lead up to NCC Legislation coming into effect. These strong results in a challenging climate are testament to our enduring brand legacy, financial transparency and the expertise of our inhouse professionals who continue to deliver affordable home solutions that align with the budgets and needs of our diverse client base.

With questions of affordability persisting, we are strategically placed to keep the Great Australian Dream of homeownership alive.

When looking at the Melbourne property market, challenges of affordability have been reflected in a noticeable shift of buyer preference, which has seen the lower end of the market segment favouring units over larger stand-alone properties. As a result, this shift has escalated both market demand and the price of units and townhomes³. From our perspective, the renewed momentum of our medium density portfolio provides those entering the market with affordable options amidst the backdrop of higher land prices and decreasing established property values. Research4 reported that the median land price in Melbourne rose by 0.3 per cent in Q2 of 2024, placing it 2 per cent higher than the same time in the year prior⁴. Our renewed focus on medium density and our range of built Ready Now homes will become increasingly significant if the gap between established house prices and new land prices continues to narrow.

Higher prices and lowered consumer confidence coupled with a return to steady, pre-pandemic levels of immigration have also exacerbated rental pressures, resulting in historically low vacancy rates and increased rental rates. In January 2024, the national vacancy rate returned to a record low of 0.8 per cent, with major capital cities such as Melbourne, Brisbane and Sydney sitting between 0.8-0.9 per cent, and Adelaide recording a competitive 0.3 per cent vacancy rate⁵. While showing signs of stabilisation, the rental environment across the country continues to indicate favourable conditions for investor activity. Our renewed focus on medium density and ready-built homes, along with a refreshed product offering, which includes knockdown rebuild and dual occupancy focused designs, is strategically placed to counteract these market pain points and leverage opportunities ahead.

When my Grandfather Gary started Simonds 75 years ago, he never aspired to be the biggest builder, but he badly wanted to be the best. Over the last seven decades, we have lived and breathed this ethos by delivering enduring quality to our customers. Today, with these complex market conditions at play, we believe being the best not only refers to construction quality, design and customer service – but an ongoing commitment to delivering diverse and affordable dwellings for all Australians. It is this commitment that will guide us forward as we look to the future with increased optimism and confidence.

Rhett Simonds
Executive Chair

¹ RPM Group, Q4 2023 Economic and Residential Property Market Report (published March 27, 2024), p. 28

² RPM Group, Q4 2023 Economic and Residential Property Market Report (published March 27, 2024), p. 2; RPM Group, Q1 2024 Economic and Residential Property Market Report, p. 5

³ RPM Group, Q4 2023 Economic and Residential Property Market Report (published March 27, 2024), p. 2; RPM Group, Q1 2024 Economic and Residential Property Market Report, p. 5

⁴ Keane, Colin. Research4, Market Summary: Melbourne Greenfield Q2-2024.

⁵ Domain Insight, Vacancy rates: January 2024 (published online February 1, 2024).



GARY'S WORDS

Gary Simonds,
Founder



When I think about the housing landscape of Australia over the last 75 years, it's incredible to look back on how much it has all changed...



The very first home that I built for my Mum in Altona in 1949 may be worlds apart from what Simonds has built over the past decades and what we're building now. But these homes all share one thing in common – the care and attention to detail that goes into every home we build.

My approach to building Simonds from its early foundations has always been to keep my feet on the ground, be realistic and above all, be honest. If you're honest, it'll show in the long run. If you want to achieve anything in business, you've got to put in every effort in order to succeed. I used to leave home in the dark and I'd come home in the dark. If I left any tools on the site, it didn't matter, because they would be there when I came back first thing in the morning.

This was the work ethic instilled in me from an early age. It's what I instilled in my son Mark and my grandson Rhett, and it's what I see in the hundreds of employees who are a part of the Simonds Homes family today.

I often retell the story of when decades ago, I went down to Werribee to knock on all the doors of the houses we had built on the street. There were about 7 or 8 Simonds homes in total. I knocked on the first door to find they were very

happy with their build. I knocked on the next door; "yes, we'd build with Simonds again," they said. Then the third door; "we had a few problems, but you fixed them," they added. When I asked the next house, "no" they said, "we're not happy, the front door blows open with the wind." I proceeded to go in with my toolbox to fix the problem. Soon after, I realised the home was built by another builder – not by Simonds – but I continued to fix it anyway.

As proud I am of the countless industry accolades we've been awarded over the years, my proudest achievement has been the generations that we've homed over the last seven decades. Street by street, suburb by suburb; we have continued to build more of this country every day. In doing so, we've not only shaped what Australia looks like, but how Australian families home and will continue to home for the generations to come.

Gary Simonds AM
Founder of Simonds Group Ltd



It's not just about us; it's about safeguarding suppliers & customers, & their livelihoods. ▲

RHETT SIMONDS, EXECUTIVE CHAIR

How
Australia
Homes

Medium density

The past year also signalled our increased commitment to exploring medium density development opportunities in key communities and growth corridors. As we continue to face market conditions impacted by land size and affordability, medium density projects are a key strategic direction for us in both the short and long term.

Despite the current market climate, the Great Australian Dream of home ownership remains achievable through the supply of varied and diverse dwelling options.

Our pipeline of medium density projects will ensure that families around Victoria have increased housing opportunities to select from when they embark on their new home journey.

Ready Now

We have partnered with some of Australia's leading residential developers to bring buyers ready-built homes in some of Melbourne's best locations. Ready Now successfully mitigates common barriers experienced by owners in the home-buying journey, notably timeframes relating to land titling and construction.

Designed with first homeowners and investors in mind, Ready Now gives buyers a swift and stress-free journey to ownership, particularly for those who are finding themselves continuously priced out of the established real estate market.

Insurance rectification division

Following the collapse of Porter Davis, we established a dedicated Insurance Division to assist the affected customers, committing to building their homes according to their original designs and contracts at no additional cost.

We collaborated with many of Porter Davis' suppliers and worked closely with the VMIA to streamline the process, ensuring as smooth as possible transition for all parties involved. We are extremely proud to have helped over 400 impacted customers so far.



	EMERGE	ELEVATE	ELITE	MASTERPIECE
	 Good	 Better	 Best	 Excellent
PRICE RANGE	\$220K-\$300K	\$280K-\$450K	\$400K-\$800K	\$800K >
CUSTOMER	First Home Buyers Investors	First Home Buyers Investors Downsizers	Premium Greenfields Knockdown Rebuild Upsizers	Knockdown Rebuild Upsizers Dual Occupancy
SIZE	Singles 13-25sq Doubles 13-25sq	Singles 25-34sq Doubles 25-38sq	Doubles 41sq >	-
BUILD ZONES	National	National	National	VIC Brownfields
	Designed with first homeowners in mind, the Emerge range reflects what we know matters to first home owners and investors most – price point, quality craftsmanship and contemporary style.	Designed for upsizers and forward thinkers in search of spacious living and the best in contemporary style that keeps affordability front of mind.	Designed to inspire at every turn, Elite gives established home owners and knockdown rebuilders the opportunity to place their unique stamp on their luxury, forever home.	Masterful strokes of design for unrivalled excellence. Every Masterpiece home, whether it be a luxury knockdown rebuild residence or a dual occupancy development, showcases architectural elements, cutting-edge design and bespoke interiors.

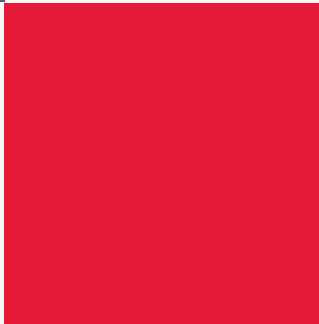
As we turned to new channels to diversify our revenue streams, we also looked to refresh our existing product range and hierarchy of standalone residential homes. Each range expertly aligns with the budget, lifestyle and needs of our diverse customer base, in turn providing a greater and more seamless buying experience across the board.

For 75 years, we've
built more than
homes—we've
built communities,
memories, and the
foundation for future
generations to thrive.

How
Australia
Homes

AWARDS:
OUR NOWRA 26

Our Nowra 26 on display in the Willow Estate, Gisborne took out the top place for the Housing Industry Association (HIA) Western Victoria Best Display Home \$400-500K. Celebrating open social living and blending the indoors with the outdoor, the Nowra 26 is a prime example of the award-winning design and build quality of our Display and Construction Teams.



How
Australia
Homes

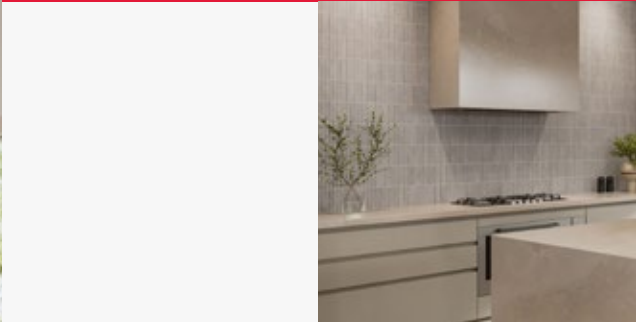


Scan here to view the
video of our Nowra
26 Display Home.



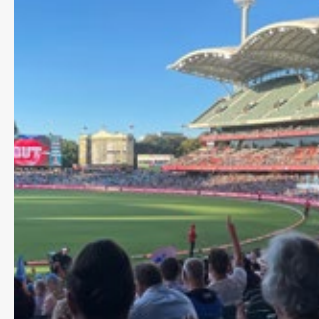
VIRTUAL TOURS

Over recent years, prospective home buyers have changed the way they shop and research for a new home. Although bricks and mortar displays will always be a vital part of the home building puzzle, digital solutions are only increasing in popularity. We've answered this call, inspiring buyers with virtual tours that utilise gaming technology to replicate hyper-realistic 3D models of our floor plans. Our virtual tour of our Headland 43 is a prime example of how we're inspiring customers from the comfort of their couch.



Scan here to view the virtual tour of the Headland 43





Our people are our most valuable asset and fostering a positive and inclusive environment is at the heart of our strategic pillars. ▲

CANDICE BETTRIDGE



Connection and empowerment

In the face of challenges that have continued to test the building industry, we have remained steadfast and proud. The resilience of our team consistently shines through as we adapt to changing market dynamics, ensuring the strength and profitability of our core business.

At Simonds Group, our people are our most valuable asset and fostering a positive and inclusive environment is at the heart of our strategic pillars. In FY2024, we continued to build on our commitment to enhancing employee engagement, developing talent and driving organisational culture forward.

To achieve our aspirations, we need to understand our key strengths and drivers that have underpinned our success for 75 years. Whilst our market and business continue to evolve, the same key strengths and drivers remain consistent in achieving great quality outcomes and these include:

- Recruiting and developing industry-leading talent who are engaged, passionate and accountable employees.
- Investment in training and development through Simonds Learning. With a significant participation rate of 87% we continue to see increased collaboration and growth in career development.
- The newly introduced leadership program, the Simonds Senior Manager Forum for our

key people leaders across the business. This leadership program promotes communication, knowledge sharing and group project work in our pursuit towards increasing greater interaction between departments.

- Cascading key performance indicators mean role clarity for each person at Simonds Group with clear expectations in how our work interrelates with one another.
- Fostering a supportive and inclusive work environment where employees feel valued, respected, and empowered to voice their opinions and concerns.
- Regularly reviewing and evaluating business processes, systems, succession planning, performance development and workflows to identify inefficiencies or areas for optimisation and celebration.
- Acknowledging demonstration of our Core Values and length of service with our highly popular Employee of the Month and Staff Anniversary programs.

Employee engagement

In February we launched our first large employment survey for Simonds to capture the baseline data we need to demonstrate growth and build on valuable feedback. Our annual employee survey

aims to guide our efforts to enhance the work environment. We had a successful response rate of 72% which provided quality and meaningful responses. The eNPS score is a scoring system that helps all employers measure employee satisfaction and how likely employees would be in recommending Simonds as a good place to work.

The score is ranging from - 100 to + 100

- +10 - +30 is considered good.
- +50 - +70 is considered excellent
- +80 and above is best in class

Simonds Group eNPS score for FY2024 is +71 and we look forward to building upon this in FY2025 and beyond to ensure that Simonds retains and attracts great people.

Diversity, Equity, and Inclusion (DEI)

In FY2024, we made significant strides in our DEI efforts, with the implementation of new policies and programs designed to promote an inclusive workplace. Our DEI training sessions reached 100% of employees, and we proudly launched for the first time at Simonds Group, Paid Parental Leave. We look forward to deepening our commitment to diversity, equity, and inclusion by setting more ambitious goals and expanding our outreach and support programs.

Looking ahead

Simonds Group is a proud values led organisation that is committed to continuous improvement of policies and practices that support our team, customers and the wider community. At the heart of Simonds are our bold, determined, and endlessly imaginative workforce. With nearly 600 staff and 3000 trade contractors our shared values and diverse perspectives fuel our progress and innovation. None of our achievements this year would be possible without the dedication of our people in New South Wales, Queensland, Victoria and South Australia. We thank you for your hard work and commitment to the business, to our customers and the huge impact you have in building homes for every dream.

As we move into FY2025, our People and Culture strategy will continue to prioritise employee engagement, development and well-being. We are committed to creating a workplace where every individual feels valued and empowered to contribute to our collective success. Our focus will be on leveraging data-driven insights to refine our initiatives and drive continuous improvement across all aspects of our people and culture programs. Thank you to all our employees for their dedication and hard work throughout FY2024. Your contributions are the cornerstone of Simonds Group's ongoing success and growth.

We take a holistic approach, extending beyond the physical to include the mental health and well-being of our staff, trades and contractors.

How
Australia
Homes

At Simonds Group, safety underlies everything that we do. Keeping our workplace safe is paramount to life at Simonds and our safety-first mindset extends to every build site, office and display home across the country. We take a holistic approach, extending beyond the physical to include the mental health and well-being of our staff, trades and contractors.

We are guided by three central pillars – communication, education and training – when it comes to pre-empting risks and maintaining a safe work environment. Each of these pillars work side by side, and our Workplace Health, Safety, Environment and Quality Team (WHSEQ) continually strives to improve and bolster our measures with digital tools and safeguards.

Fostering open and transparent communication at all levels.

Open and consistent communication forms an essential part of our commitment to a safe workplace. At an industry level, we continue to maintain a strong voice and positive working relationships with the Volume Building Safety Alliance (VBSA), Master Builders Association (MBA) and Housing Industry of Australia (HIA), as well as national electrical bodies and state regulatory authorities, such as SafeWork (QLD, SA) and WorkSafe (VIC). Furthermore, our WHSEQ Team regularly collaborates with industry counterparts to share safety solutions and generate optimal outcomes for teams on-site, which fosters a robust network and a positive safety culture amongst industry peers.

We also take a proactive approach to communication by utilising the digital safety management system, QIN CodeSafe, to efficiently provide real-time training, educational resources and customised digital solutions to our teams on-site across the country. QIN CodeSafe assists greatly in upholding transparency and accountability by generating live inspection reports and photographic evidence. Before any high-risk activity is undertaken on-site, we formalise safety precautions through compulsory checking of safe work method statements which are conducted by members of our Construction Team and reviewed

internally through QIN CodeSafe. Over 300 safe work method statements were submitted in the past year, further enhancing our safety processes and approach to risk prevention on-site. Further pro-active communication measures include the issuing of non-conformance notices to trades in circumstances where it has been identified that they have not followed appropriate safety protocol. A non-conformance notice immediately ceases all works on-site until the items have been rectified, ensuring that strict safety protocol is adhered to and that a direct channel of communication is maintained for a positive outcome.

Taking a pro-active approach to safety with education.

Education forms one of the cornerstones of our approach to workplace safety. In the past year, we conducted over 1,400 Toolbox Meetings with trades on-site, providing them with in-person safety briefings and educational resources. Commonly addressed topics include how to navigate different forms of psycho-social behaviour, sexual harassment, bullying, and greater support for preventing injuries that are typically related to manual handling.

Acknowledging the industry statistics pertaining to the prevalence of mental health and well-being issues in the construction workforce, we maintained widespread signage on sites for free and confidential 24/7 support services, as well as in-person sessions with the Cancer Council on-site. This approach seeks to break down stigma, encourage open communication and promote the range of services of our Well-being Gateway App from Assure, our Employee Assistance Program (EAP).

Promoting professional development and safe sites with frequent training sessions.

In conjunction with digital tools and channels of communication, over 1,000 construction staff on-site underwent safety training relating to scaffold safety, test and tag protocol, falls from height, stairwell voids and circular saws and nail guns. These training sessions were paired with training roadshows conducted by regulatory bodies such as Energy Safe Victoria and WorkSafe Victoria.



Safety is woven into the fabric of our operations, ensuring the physical and mental well-being of our people in every aspect of our business. 🏡

PAUL WILLIAMS
NATIONAL WHSEQ MANAGER



Internationally Accredited in Workplace Health and Safety, Quality and Environment

We continue to hold international accreditation in Workplace Health & Safety, Quality & Environment, with the following standards in place: ISO9001, ISO14001 and ISO45001. To maintain this accreditation, our systems are externally audited against strict international standards and criteria.



IN-PERSON SAFETY SESSIONS

1,000+ Completed with construction teams



SITE INSPECTIONS

4,500+ Completed nationally



TOOLBOX MEETINGS

1,400+ Completed with trades



SCAFFOLDING INSPECTIONS

628 Completed in 23/24
436 Completed in 22/23

INCIDENTS INVOLVING SCAFFOLDING

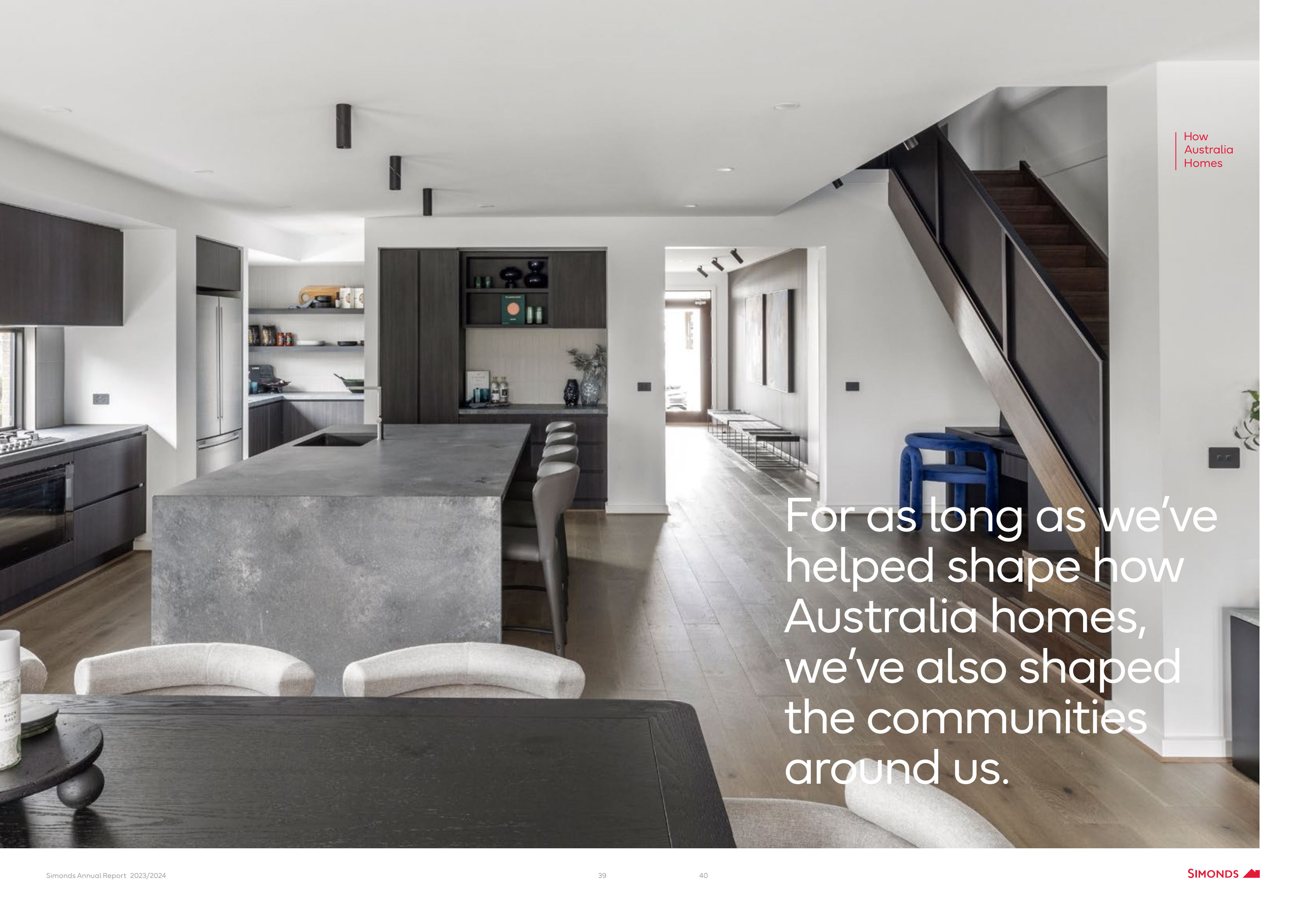
22/23 4 23/24 3



INJURY FREQUENCY RATE

9.5 23/24 Total Recordable Injury Frequency Rate (TRIFR) internal staff - 12 month rolling average

22/23 Lost Time Injury Frequency Rate (LTIFR) internal staff - 12 month rolling average = 2.5

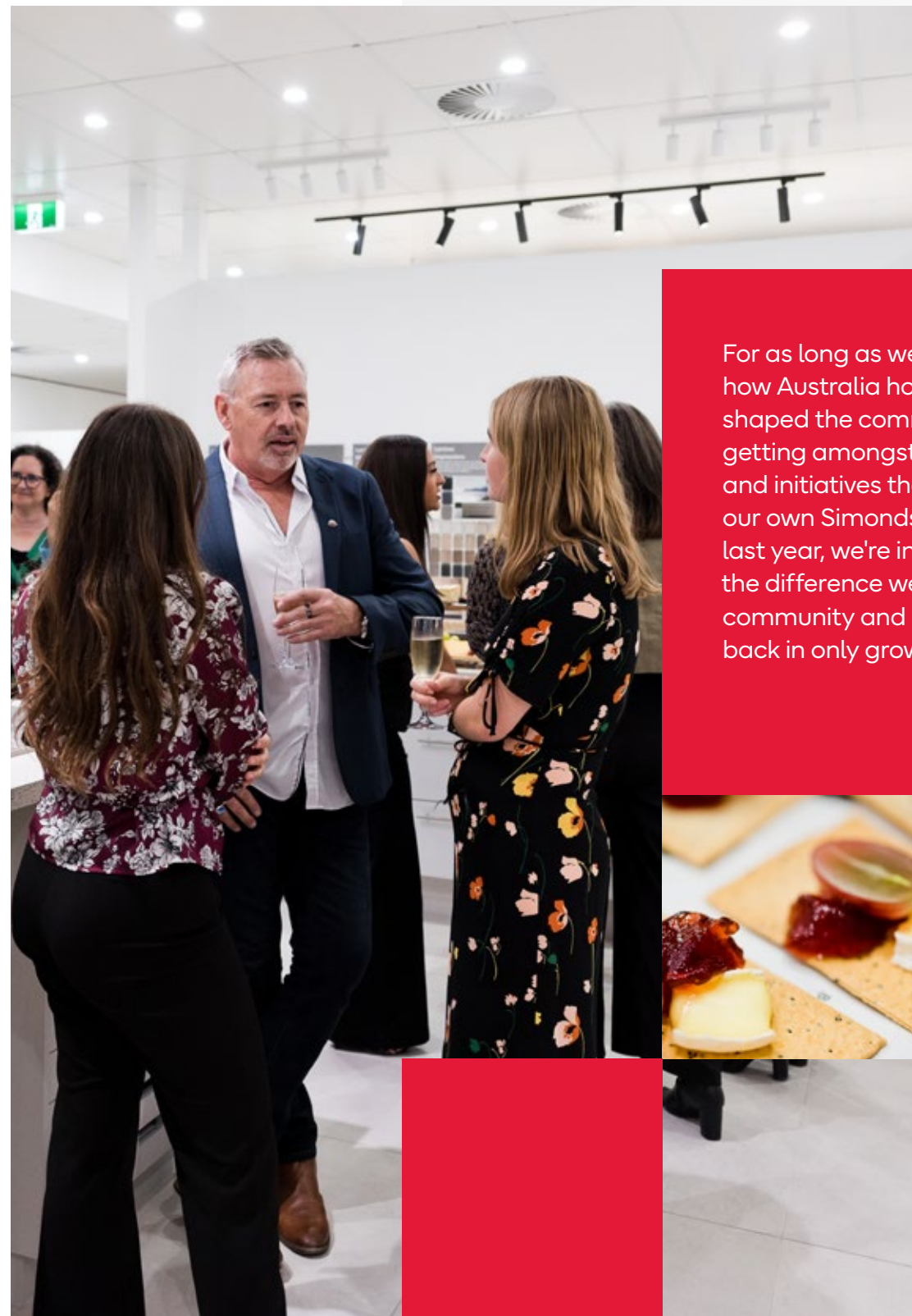


How
Australia
Homes

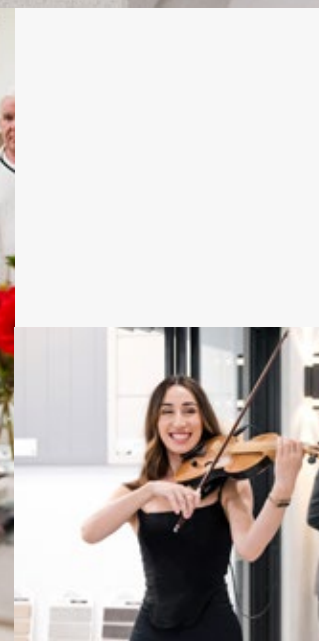
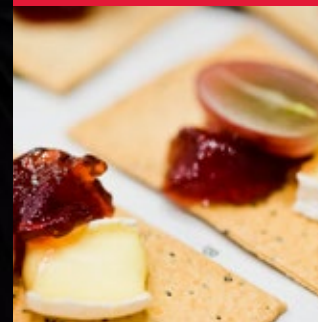
For as long as we've
helped shape how
Australia homes,
we've also shaped
the communities
around us.

We hosted a VIP twilight opening for our beautiful Bendigo Gallery.

To officially commemorate the opening of our Bendigo Gallery, we had the pleasure of hosting valued customers, suppliers, developer partners and employees for an evening of drinks, canapés, entertainment and prizes. Our refurbished Gallery showroom in Bendigo provides a beautiful interior design hub for customers to enjoy and explore, and it reinforces our commitment to providing a seamless and convenient new home journey for families building in regional Victoria.



For as long as we've helped shape how Australia homes, we've also shaped the communities around us, getting amongst the causes, teams and initiatives that resonate with our own Simonds network. Over the last year, we're incredibly proud of the difference we made in the local community and our desire to give back in only growing from here.



**Our teams cycled over 1,000kms
for children in need with the Chain
Reaction Challenge Foundation.**

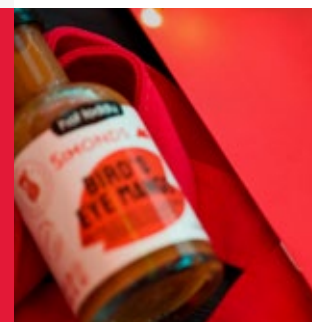
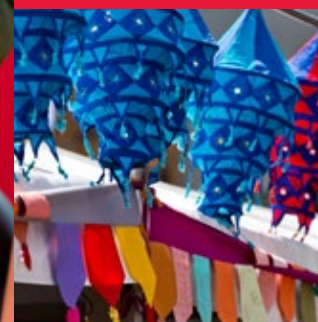
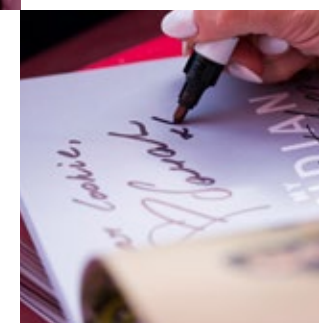
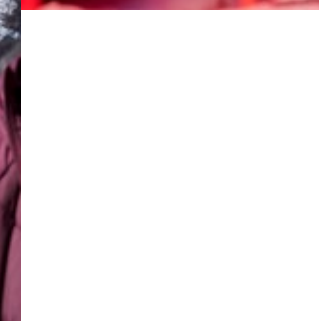
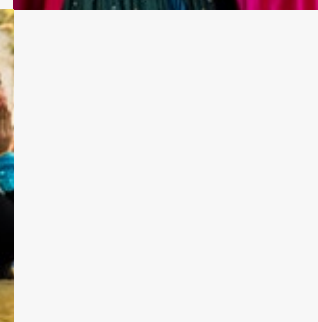
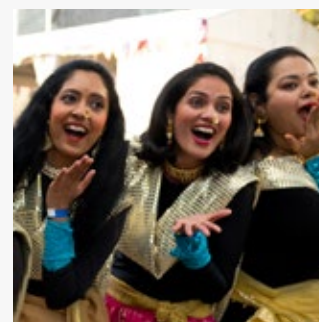
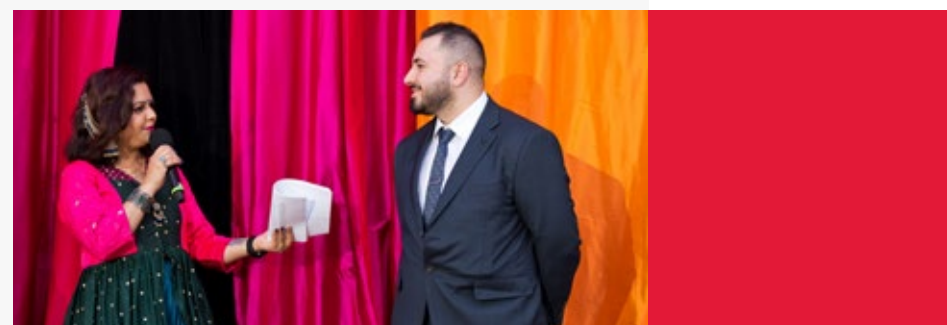
At the start of 2024, our Brisbane and Melbourne Chain Reaction Teams rode over 1,000kms across the Adelaide Hills and the Gold Coast to raise money for the Starlight Children's Foundation, Monash Children's Hospital and the AEIOU Foundation. In what was an exemplary feat of personal endurance and teamwork, Team Simonds contributed to over \$2 million dollars raised by the Chain Reaction Teams for sick children and children with autism.



We celebrated Diwali, the festival of light, across Australia.

This year we took part in Diwali celebrations across Adelaide, Brisbane and Melbourne. In October, we sponsored celebrations hosted by Celebrate India in the bustling heart of Federation Square overlooking the Yarra River. The festivities saw families and local businesses come together to commemorate the Festival of Light, celebrating with delicious food, dance, culture and festivity.

We were joined by Simonds brand ambassador and international chef, Sarah Todd, who skyrocketed to fame after her time on MasterChef. We were lucky to enjoy a hot sauce tasting and a meet and greet with Sarah, and we ran an exciting competition for entrants to win a private dining experience cooked by Sarah in our beautiful Silverton 45 display home.



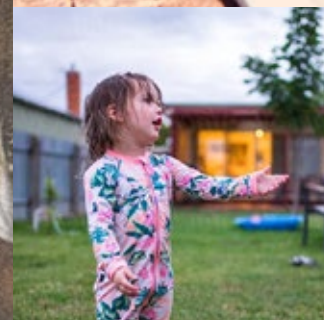
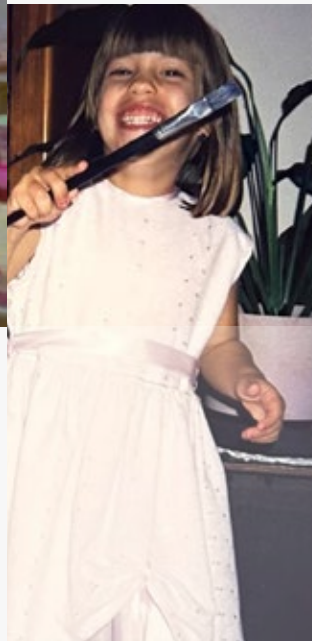


OUR
COMMUNITY

We took our customer home videos & put them on the silver screen!

With the launch of our How Australia Homes campaign, we put the casting call out to past customers from years gone by, asking for them to dive into their treasure troves of old home videos and family photos.

We then projected these videos onto the facade of a real customer's home in regional Victoria for a television commercial. This put a spotlight on those families who have grown up and grown old in their cherished Simonds home, while simultaneously showing the beautiful design of homes that we're building every day across the country.



How
Australia
Homes



How
Australia
Homes

We brought it home with Melbourne United.

Our partnership with the formidable Melbourne United continued for the 2023/2024 NBL season, which saw players battle it out in front of sold-out stadiums, the Simonds blimp, as well as NBA legend, Scotty Pippen.

We also raised the stakes for audience members, giving fans the chance to win \$50K if they sunk a half-court shot at three-quarter-time. Although Melbourne United couldn't claim the final crown, it was another memorable season for the history books!



We continued our valued partnership with Geelong Football Club.

As we entered our 18th year of sponsoring the mighty Geelong Cats, our valued partnership only grew stronger. When we're not placing our office footy tips or shooting campaign content with a line-up of star players, you'll find us in the stands cheering the Cats on to another premiership. To celebrate Round 1 of the 2024 AFL Season, we hosted valued suppliers and developer partners at GMHBA Stadium for an evening of drinks and canapés, unveiling our new brand direction to our close network with a sold-out home crowd as our backdrop.



We hit it for 6 by sponsoring the Adelaide Strikers.

From footy and basketball to the lit-up cricket pitch, we extended our support by sponsoring the Adelaide Strikers in the Big Bash League.



We joined Kruzer earth moving for a backyard blitz.

From raising funds for thousands of sick children, to lending a helping hand to a client in need, the work of our team in the community took many shapes and forms. At the start of 2024, Simonds Site Supervisor in Bendigo, Luci Mayer, heard of a saddening situation involving one of her previous clients, who had been involved in a severe accident and who was now facing financial distress. Luci leapt into action, enlisting the help of Kruzer Earthmoving and Simonds to help get her client's landscaping back on track.

We took part in the Onam celebrations hosted by the Glenroy Residents Association for Malayalees Inc.

We were honoured to sponsor the Onam celebrations hosted by the not-for-profit Glenroy Residents Association for Malayalees Inc, affectionately known as GRAM. Our Sales Team was invited to be part of the memorable celebrations, including traditional games, dance and storytelling sessions.

From the streets of Paris and London to the facade of our Hinterland 58.

Our Hinterland 58 display home took the phrase, 'your home is a canvas' to whole new heights. We were thrilled to work with the immensely talented artist, Hayley Welsh, on a bespoke mural for our Hinterland 58 display home in SkyRidge, Queensland. Hayley's series of 'Lost Creatures' are scattered across the globe, from the streets of Paris, London and New Zealand – and now – on the striking Oberon facade of our SkyRidge display home.

We took our support to the grassroots level with our Home Advantage Program.

Beyond the electric atmosphere of the MCG and buzz of the John Cain Arena, our support extends to the grassroots footy ovals and courts across the country. Thanks to our Home Advantage Program, local clubs are able to seek funding and support from Simonds. We are dedicated to nurturing local sporting talent through partnerships with clubs like the Huntly Hawks, Collegians Football Club, Altona Football Club, Koo Wee Rup Football Club, Benalla Basketball Club, Kooringal Golf Club, and more.

Giving back to important causes, one cup of coffee at a time!

Each year, we give back to the causes that matter most to our employees through our Coffee Karma Initiative. In exchange for a freshly poured cup of coffee, staff at our Melbourne Head Office donate to charities of the month and get amongst fundraising gatherings at our Level 1 Cafe. From Breast Cancer Morning Tea to the Cancer Council's Biggest Morning Tea and growing moustaches in the name of raising funds for men's mental health with Movember, Team Simonds has raised thousands of dollars for important causes.



Rhett Simonds
 Executive Chair

Rhett joined the business in 2005. He has a strong focus on the property and construction sector, where he sits on several private company boards and executive management teams. Rhett is also a director of and investor in several technology and finance-related businesses. He has a Bachelor of Commerce from Deakin University.


Mark Simonds
 Executive Director

For over 40 years, Mark has been immersed in the volume home building industry. He holds a registered builder's license in Victoria, New South Wales, Queensland and South Australia. Prior to 2014, when Simonds Group limited was ASX listed, Mark was engaged in the day-to-day executive management of Simonds Homes. From 1973 until its listing, Mark worked alongside his father Gary Simonds, and understands what is required for a successful volume building business. Mark is the Deputy Chair of Simonds Family Office, which is primarily focused on venture capital, private equity, building and construction and the broader real estate sector.

Richard Grellman AM
 Non-Executive Director

Richard is Chair of the Audit & Risk Committee and a member of the Nomination & Remuneration Committee. Richard has been a professional non-executive director since 2000. Prior to that, he worked at KPMG for 32 years, including as a partner from 1982 to 2000. His practice focused on the provision of strategic advice and services to the Financial Services sector. In 2007, Richard was appointed a member of the Order of Australia for service to the community, particularly through leadership roles with Mission Australia and fundraising with Variety, The Children's Charity, and to the finance and insurance sectors.


Piers O'Brien
 Non-Executive Director

Piers is a qualified lawyer with over 20 years of professional experience. Piers is now the Chief Executive Officer of the Simonds Family Office. He previously held the roles of Chief Operations Officer of the Simonds Family Office, before which he worked in legal roles in-house as both General Manager Legal and General Counsel. During this time, Piers managed the legal function at ASX 200 company Skilled Group Ltd for approximately 8 years. Piers started his career in private practice with K&L Gates Lawyers (and its predecessor firms), where he specialised in mergers and acquisitions, corporate transactions, and board advisory work. He is a member of the Group's Audit & Risk, and Nomination & Remuneration Committees.


David Denny
 Non-Executive Director

David is an Independent, Non-Executive Director of Simonds Group Limited. He is a member of the Group's Audit & Risk Committee and Nomination & Remuneration Committee. David was a Partner of Price Waterhouse Coopers (PwC) for 21 years, including as the practice leader of PwC's Mergers & Acquisition advisory and Corporate Finance advisory businesses in Australia and the Asia-Pacific region. David has extensive international experience, including cross-border transactions, international leadership roles and a secondment to Asia.


Andrew Bloore
 Non-Executive Director

Andrew is an experienced Non-Executive Director, entrepreneur and farmer. He has designed, built and sold a number of businesses focused on the development of key disruptive technologies and distribution services in traditional markets including Smartsuper, SuperIQ and Class Super. Andrew is currently Chairman of Guild Group and an independent, Non-Executive Director of Insignia Limited, Steadfast Group Limited. Andrew was a Non-Executive Director of Simonds Family Office Pty Ltd until stepping down on the 1st May 2024. Andrew is the Chair of the Group's Nomination & Remuneration Committee and a member of the Group's Audit & Risk Committee.

Financials

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Australia
Homes

Simonds Group Limited
Financial Report for year ended 30 June 2024

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Directors’ Report

The directors of Simonds Group Limited (the “Company”) submit herewith the annual financial report of the consolidated entity consisting of the Company and the entities it controlled (the “Group”) for the financial year ended 30 June 2024. To comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the Directors

The names of the directors of the Company during or since the end of the financial year are:

Current Directors		
Name:	Date appointed:	Current Position:
Rhett Simonds ¹	20 April 2016	Executive Chair
Mark Simonds	20 September 2017	Executive Director
Piers O’Brien	20 September 2017	Non-Executive Director
Andrew Bloore	27 July 2021	Non-Executive Director
David Denny	1 November 2021	Independent Non-Executive Director
Richard Grellman	9 May 2023	Independent Non-Executive Director

¹ On 3 November 2023, SIO announced that Mr Rhett Simonds will serve solely as Executive Chair. Mr David McKeown was appointed as the Group’s Chief Executive Officer with an effective date of 3 November 2023.

The particulars of the directors are as follows:

Name	Experience and Directorships
Rhett Simonds	• Rhett is the Executive Chair of the Board and is a member of the Audit & Risk Committee and the Nomination & Remuneration Committee. • Rhett holds a Bachelor of Commerce from Deakin University. • Rhett has been involved with the business since joining the Simonds Group of Companies in 2005. Rhett has a strong focus on the property and construction sector, where he sits on a number of private company boards. • In addition to his experience in the property and construction sector, Rhett is a director of and investor in a number of technology and finance related businesses.

Mark Simonds	• Mark is an Executive Director of the Board and is a member of the Audit & Risk Committee and the Nomination & Remuneration Committee. • Mark holds a registered builder’s licence in Victoria, NSW, Queensland and South Australia. Mark has spent over 40 years immersed in the volume home building industry. • Prior to Simonds Group Limited listing in 2014, Mark was fully engaged in the day-to-day executive management of Simonds Homes. From 1973 until its listing, Mark worked alongside his father Gary Simonds, and understands what is required for a successful volume building business. • Mark is the Deputy Chair of Simonds Family Office, which is primarily focussed on venture capital, private equity, building and construction and the broader real estate sector.
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Piers O'Brien	• Piers is a qualified lawyer with over 20 years’ professional experience. • Piers is a member of the Group’s Audit & Risk Committee and Nomination & Remuneration Committee. • Piers is the Chief Operating Officer of the Simonds Family Office before which he spent the previous 12 years working in in-house legal roles as both General Manager Legal and General Counsel. During this time, he managed the legal function at ASX 200 company Skilled Group Limited for approximately 8 years. • Piers started his career in private practice with K&L Gates Lawyers (and its predecessor firms) where he spent 8 years specialising in mergers and acquisitions, corporate transactions and board advisory work.
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Name	Experience and Directorships
Andrew Bloore	• Andrew is the Chair of the Group’s Nomination & Remuneration Committee and a member of the Audit & Risk Committee. Andrew is an experienced Non-Executive Director, Entrepreneur, and farmer. • He has designed, built and sold a number of businesses focussed on the development of key disruptive technologies and distribution services in traditional markets, to create business efficiencies including Smartsuper,SuperIQ and Class Super. • Andrew has worked on a range of Senate and Treasury Committees, and with the Australian Taxation Office Regulations Committee on regulation of the superannuation industry. • In 2016, Andrew sold his superannuation administration business to AMP, stepped down from the Senate and Treasury Committees and is now focussed on contributing to the organisations as a Non-Executive Director. • Andrew is currently Chairman of Guild Group, and an Independent, Non-Executive Director of Insignia Financial Limited and Steadfast Group Limited. Andrew was a Non-Executive Director of Simonds Family Office Pty Ltd until 1 May 2024.

David Denny	• David is an Independent, Non-Executive Director of Simonds Group Limited. He is a member of the Group’s Audit & Risk Committee and Nomination & Remuneration Committee. • David was a Partner of Price Waterhouse Coopers (PwC) for 21 years, including as the practice leader of PwC’s Mergers & Acquisition advisory and Corporate Finance advisory businesses in Australia and the Asia-Pacific region. • David has extensive international experience, including cross-border transactions, international leadership roles and a secondment to Asia.
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Richard Grellman	• Richard is an Independent, Non-Executive Director of Simonds Group Limited. He is the Chair of the Group’s Audit & Risk Committee and a member of the Nomination & Remuneration Committee. • Richard is Chairman of FBR Ltd and Lead Independent Director of The Salvation Army in Australia. • Richard has been a professional non-executive director since 2000. Prior to that, he worked at KPMG for 32 years, including as a partner from 1982 to 2000. His practice focussed on the provision of strategic advice and services to the Financial Services sector. • In 2007, Richard was appointed a member of the Order of Australia for service to the community, particularly through leadership roles with Mission Australia and fundraising with Variety, The Children’s Charity, and to the finance and insurance sectors.
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Directors Shareholding

The following table sets out each of the directors' relevant interest in shares and rights or options on shares of the Company or related body corporate as at the date of this report:

Fully Paid Ordinary Shares		Share Options
Directors	Number	Number
Rhett Simonds	14,044	–
Mark Simonds	56,741	–
Andrew Bloore	848,683	–
Piers O'Brien	–	–
David Denny	–	–
Richard Grellman	–	–

Company Secretary

Amanda Jones continues her role as Company Secretary of Simonds Group Limited. Amanda is a member of the Senior Leadership Team and the Group's General Counsel. Amanda holds a Bachelor of Arts /Bachelor of Laws (Hons) from Monash University and is a Fellow of the Governance Institute of Australia.

Prior to joining the Group, Amanda held the roles of General Counsel & Company Secretary and General Manager Corporate Services at MaxiPARTS Limited (ASX:MXI, formerly MaxiTRANS Industries Limited).

Operating & Financial Review

Principal activities

The Group's principal activities during the financial year were the design, sale and construction of residential dwellings. In addition, the Group has been working with domestic building insurers to support customers that are impacted by builder insolvencies in Victoria.

Business overview

Building homes since 1949, Simonds is one of Australia's largest volume home builders, with display homes located in Victoria, Queensland and South Australia. Our diverse product range caters to every type of buyer, with single and double-storey detached homes, medium-density developments, and dual occupancy projects. We serve both metropolitan areas of state capitals and large regional cities, ensuring quality and choice for all our customers.

The Group maintains a small development land portfolio via direct land ownership and participates in other development land projects via indirect holdings.

Operations

Group revenue from continuing operations for the period was \$663.5 million compared to the previous corresponding period of \$722.4 million. The decrease in revenue is primarily attributable to the lower number of jobs on site as the residential segment was impacted by subdued demand. Furthermore, timing of settlement of the sale of new display homes reduced the display revenue.

Simonds Homes recorded 1,772 site starts for the period, 179 down on the previous corresponding period. The reduction in site starts is aligned to expectations due to prolonged challenging macroeconomic conditions impacting the residential market. However, the volumes from alternative sales channels continue to grow, resulting in a more diversified revenue and margin mix.

Despite the lower revenue, the Group achieved Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of \$23.3 million, which is \$34.7 million higher than the prior year. The turnaround is predominantly a result of favourable gross margin performance and reduction in overhead expenditure. Despite challenging conditions, margins remain strong as a result of higher margin jobs going to site and channel mix. Throughout the year, costs were effectively managed and various savings initiatives were successfully implemented while investment in the business continued for long term success.

Earnings per share

The calculation of earnings per share (EPS) is presented in note 10. EPS has been calculated in accordance with the requirements of Accounting Standards based on:

- profit after tax attributable to shareholders (Statutory profit); and
- the weighted average number of ordinary shares outstanding during the year ended 30 June 2024 of 359,906,450 (2023: 255,436,124).

		30 June 2024	30 June 2023
	Note	Cents/ share	Cents/ share
EPS from continuing operations			
Basic	10	0.84	(9.18)

Balance sheet

The available liquidity of \$26.6 million as at 30 June 2024 remains healthy and includes \$1.7 million of cash on hand. The Group invested \$12.1 million in Display Homes for the financial year.

The net assets of the Group have increased from \$14.5 million at 30 June 2023 to \$18.5 million at 30 June 2024, given the return to profitability.

The working capital remained stable while funds were utilised to support the investment in display inventory, alternative sales channels and new operational capability.

Operating cash flows

The Group generated net operating cash flows of \$2.7 million (2023: Deficit of \$4.1 million) inclusive of the investment in display homes and other sales channels. The net movements across the comparative years of \$6.7 million reflects the strong turnaround in the EBTIDA of the Group. Collections from customers remained stable and outflows are being paid in accordance with the agreed terms.

Future developments

Despite prolonged challenging trading conditions, the Group continued to invest in alternative sales channels providing a more diversified sales mix. Further investments were made in new products, marketing capability and alignment of designs to the new construction and energy requirements of the National Construction Code. These investments are expected to sustain the financial momentum through diversified revenue mix and improved customer experience.

The macroeconomic data indicates that the residential market may remain softer for longer. However, the Group maintains a positive view of the future trading performance given emergence of opportunities through the alternative sales channels.

The Directors expect continued improvement in operating results in FY25 assisted by the cost optimisation plans implemented during the current year and in the pipeline.

Summary of Key Business Risks

The Board remains confident about the Group's future trading performance and acknowledges there are certain factors that may pose a risk to the achievement of the Group's business strategies and future performance.

There are some risks specific to the Group's home building business, as well as external risks, such as the economic environment, over which the Group has no control. The Group's risk management approach is to identify, evaluate, mitigate and manage its financial, operational, and business risks. The risk assessment approach includes an estimation of the likelihood of risk occurrence and potential impacts on the financial results. Risks are assessed across the business and reported to the Audit & Risk Committee and to the Board where required under the Group's Risk Management Framework.

Impact of macroeconomic pressures:

The interest rate environment continues to impact the borrowing capacity of the Group's retail customers. The reduced borrowing capacity of individuals and the decrease in affordability has moderated sales activity within the retail channel.

The Group expects these factors to continue to impact the residential sales activity for a major part of the FY25.

While general economic conditions are outside the Group's control, the Group seeks to reduce its exposure to these risks by closely monitoring both internal and external sources of information that provide insights to changes in demand within the markets and regions in which it operates.

The Group continues to invest in alternative sales channels and diversify the sales mix to reduce the impact of the economic environment on a specific channel.

Liquidity:

The effective management of liquidity remains a critical activity for any construction entity. Although the Group has a healthy liquidity position, management remains focused and mindful of the impact that unexpected working capital movements can have on the cash position. Strict daily cash flow forecasting measures remain in place including visibility over near and medium-term cash requirements.

Information Technology ("IT") security and data security breaches:

The potential failure of IT security controls may result in the loss, inability to access information, destruction or theft of customer, supplier, and financial or other commercially sensitive information. This has the potential to adversely affect operating results and potentially damage the reputation of the Group.

There are several key controls in place to mitigate the risk, which include continuous scanning and validation of all access to the Group's IT environment including data flows. The Group endeavour to stay abreast of threats through penetration testing and control reviews from cyber security experts. The Group has developed an IT road map that support the ongoing investment in infrastructure and applications that ensure a strong security environment protecting the Group and infrastructure from the rising threat in cyber security.

Subsequent Events

There are no events that occurred subsequent to the reporting date that may significantly affect Group's operations, results or state of affairs in future periods.

Dividends

Given the financial results of the Group for the current financial year combined with the intent to rebuild the balance sheet, the Directors have determined that no dividend will be paid in relation to the 2024 financial year (2023: nil). Future dividends will be subject to the Directors' assessment of the Company's financial position at the appropriate time.

Indemnification of Officers & Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary, and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

Directors’ Meetings

The following table sets out the number of directors’ meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 9 Board meetings, 5 Nomination & Remuneration Committee meetings and 5 Audit & Risk Committee meetings were held.

Board of Directors			Nomination & Remuneration Committee		Audit & Risk Management Committee	
Director	Held*	Attended	Held*	Attended	Held*	Attended
Rhett Simonds	9	9	5	5	5	5
Mark Simonds	9	8	5	5	5	5
Andrew Bloore	9	8	5	4	5	5
David Denny	9	9	5	5	5	5
Piers O’Brien	9	8	5	4	5	4
Richard Grellman	9	9	5	5	5	5

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 28 to the financial statements.

The directors are satisfied that the provision of non–audit services, during the year, by the auditor (or by another person or firm on the auditor’s behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor’s independence, based on advice received from the Audit & Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 ‘Code of Ethics for Professional Accountants’ issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditors own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Remuneration Report

Dear Shareholders,

On behalf of the Board, I am pleased to present Simonds Group Remuneration Report for the financial year ended 30 June 2024.

The landscape for housing in Australia, characterised by a shortage in supply, affordability issues and stressed commercial models for builders, presented both challenges and opportunities for the Group this last financial year.

In November 2023, having managed the business through these conditions over the past three years and overseeing the announced return to profit in October, Mr Rhett Simonds proposed a change from the dual role of Executive Chair and CEO to focus solely on Executive Chair responsibilities. This important adjustment allows increased focus on more strategic issues, including the under-supply of housing facing the nation over the coming years, as well as other important growth opportunities for the Group.

Having served alongside Rhett Simonds in the turnaround of the business since January 2023 as Chief Financial Officer, and after a rigorous selection process via external executive search firm, Mr David McKeown was promoted to the position of Chief Executive Officer. Mr Bertus Strydom, then Executive General Manager of Finance, who served as Interim Chief Financial Officer for a period before David’s appointment to the role, was elevated to serve alongside David as Chief Financial Officer.

With respect to people, there were several initiatives that were delivered in the financial year. The business continued its commitment to Diversity and Inclusion with concerted efforts across a number of key areas. These included development of updated diversity targets and the introduction of Paid Parental Leave. The Group continued to invest in Work Health & Safety, Learning Management Systems, Succession Planning and Performance Development Frameworks to enable our people and enhance their overall experience.

Thank you to all our employees for their commitment and contributions this year. As a cornerstone of the building industry for almost 75 years, Simonds Group continues to be well placed to play a meaningful role helping Australians find a place to call home.

On behalf of the Board, I invite you to consider our Remuneration Report which will be presented to shareholders at the 2024 Annual General Meeting.

R A Bloore
Chair, Nomination & Remuneration Committee

Introduction

This remuneration report, which forms part of the Directors’ report, sets out information about the remuneration of Key Management Personnel (KMP) for the year ended 30 June 2024.

In addition to the Directors, the following executives are also KMP of the Group during or since the year ended 30 June 2024.

Senior Executives

Name	Position
David McKeown ¹	Chief Executive Officer
Bertus Strydom ²	Chief Financial Officer

Remuneration Policy Summary

The Simonds Group Limited remuneration policy has been designed to ensure remuneration practices attract, motivate and retain top talent from a diverse range of backgrounds with the experience, knowledge, skills and judgment to drive the Group’s performance and appropriately reward their contribution towards shareholder wealth creation.

The key principles that support the remuneration policy are as follows:

- employees are rewarded fairly and competitively according to job level, market trends and individual skills, experience and performance;
- the reward strategy is in line with the overall business strategy in relation to acquisition, growth and retention of talent;
- the reward strategy encompasses elements of salary, benefits, recognition and incentives to support talent management for business and shareholder outcomes;
- it is simple, flexible, consistent and scalable across the business allowing for sustainable business growth;
- it supports the business strategy whilst reinforcing our culture and values; and
- it is regularly reviewed for relevance and reliability.

¹ On 3 November 2023, Simonds announced the appointment of Mr. David McKeown as the Group’s Chief Executive Officer.

² Mr. Bertus Strydom was appointed as Group’s Chief Financial Officer on 3 November 2023. He served as Executive General Manager of Finance before appointment to the Group’s CFO role.

Executive Remuneration Principles & Strategy

A key principle of the Group’s approach to executive remuneration is that it demonstrates strong links with Group performance and shareholder returns. Remuneration is aligned with Group performance by requiring a significant portion of remuneration to vary with short-term and long-term performance. The remuneration of KMP is structured considering the following factors:

- the principles highlighted above;
- the level and structure of remuneration paid to executives of other comparable publicly listed Australian companies of a similar size;
- the position and responsibilities of each executive; and
- other appropriate benchmarks and targets to reward senior executives of the Group and individual performance.

The Nomination & Remuneration Committee (the Committee)

The Committee assists the Board by providing advice in relation to the remuneration packages for KMP, and oversees management succession planning, performance targets and the remuneration of employees.

The Committee also reviews and makes recommendations to the Board on the Group’s remuneration strategy, policies, and practices, and monitors the effectiveness of the Group’s remuneration framework in achieving the Group’s strategy.

Remuneration consultants are engaged from time-to-time to provide independent information and guidance on remuneration for executives, facilitate discussion, conduct benchmarking and provide commentary on a number of remuneration issues. Any advice provided by external advisors is used as a guide and is not a substitute for the considerations and procedures of the Committee. During this financial year, the Group engaged Alex Kaar Recruitment to assist with the appointment of the Chief Executive Officer. The Committee also engaged Guerdon Associates, an independent consulting firm who provide executive remuneration and board effectiveness services that contribute to improved and sustainable shareholder value. Guerdon Associates provided the Committee advice regarding market best practice for incentive programs. The Group also subscribes to a number of independent salary and remuneration surveys, including construction sector specific surveys run by AON and Mercer.

No individuals are present during any discussions related to their own remuneration arrangements. Further details of the Committee’s responsibilities are outlined in the Corporate Governance Statement, available from the Group’s website at www.simondsgroup.com.au

Non-Executive Director Remuneration

During the year ended 30 June 2024, fees paid to non-executive Directors totalled \$447,446 (inclusive of superannuation). There were no increases in Director’s fees in FY24.

Non-executive Directors are not appointed for a specific term and their appointment may end by notice from the individual Director or otherwise pursuant to section 203B or 203D of the Corporations Act 2001 and the Company’s constitution.

The maximum annual aggregate for fees paid to Non-Executive Directors is \$750,000. This limit was approved at the Annual General Meeting of Simonds Group Limited held on 2 October 2014.

KMP Remuneration Framework

The KMP remuneration framework comprises three principal elements:

- a total fixed remuneration (TFR) comprising a fixed component, consisting of a base salary, superannuation contributions and other related allowances;
- a performance based, variable ‘at risk’ component, comprising cash and/or equity settled short-term incentives (STI); and
- a performance and service based, variable ‘at risk’ component, comprising of options and/or performance rights and/or cash equivalents referred to as long-term incentives (LTI).

Executive Remuneration Components

TFR overview

TFR is benchmarked against the market median, also known as the 50th percentile, referencing market practice and comparable and similar sized organisations. While comparative levels of remuneration are monitored on a periodic basis, there is no contractual requirement or expectation that any adjustments will be made.

STI overview

Given the financial results of the Group for FY24, no STI payments were made in FY24.

LTI overview

The Group’s LTI Plan enables a proportion of remuneration to be linked to Group performance over the long term and measured annually in line with the financial year. Executives can only realise their LTI at-risk component if challenging pre-determined objectives are achieved.

This aligns executive performance with shareholder interests and focuses on sustainable shareholder wealth. The LTI Plan allows the granting of Performance Rights and/or options and/or cash equivalents that vest after a defined period, subject to Group and individual financial and non-financial performance hurdles. Vesting conditions may be waived at the absolute discretion of the Board.

The LTI payment is cash based or in shares at the Board’s discretion as part of the annual remuneration review after finalisation of the Group’s audited results.

No LTIs were offered during FY24.

Award Structure	FY2021 Cash Rights	
Consideration for the Performance Rights	The Cash Rights will be granted for nil consideration.	
Grant Date	25 June 2021	
Expiry Date	30 November 2023	
Vesting Period	Each right has a vesting period of approximately three years.	
Performance Measure	Vesting of Performance Rights is dependent on one discrete performance measure (hurdle): <i>FY2023 EPS</i> The performance measure is to achieve an EPS target for the financial year ending 30 June 2023.	
CAGR EPS Vesting Schedule	FY2023 EPS	Percentage of Performance Rights to vest:
	Below 6.00 cps	None
	Between 6.01cps & 8.93 cps	Straight line pro-rata vesting between 25% and 50%
	Between 8.94 cps & 9.58 cps	Straight line pro-rata vesting between 51% and 100%
	At or above 9.59 cps	100%
Service Vesting Condition	The Service Vesting Condition is continuous employment with the Company from Grant date to vesting date.	
Other conditions	These rights may be settled in either shares in the Company or the equivalent value in cash, at the discretion of the Board.	

The following tables provide details of performance rights allocated to KMP pursuant to the LTI Plan.

Number of cash settled performance right granted, vested, and expired/forfeited

FY2024						
Name	Performance Rights 1 July 2023	Performance Rights Granted	Performance Rights Vested	Performance Rights Expired / Forfeited	Other	Balance 30 June 2024
R Simonds	450,000	-	-	(450,000)	-	-
Total	450,000	-	-	(450,000)	-	-

Remuneration Structure and Performance/Shareholder Wealth Creation

The Group's annual financial performance and indicators of shareholder wealth are summarised below.

Financial Performance	FY2024	FY2023	FY2022	FY2021 ⁴	FY2020
	Statutory Actual ²	Statutory Actual	Statutory Actual	Statutory Actual	Statutory Actual
	\$m	\$m	\$m	\$m	\$m
Revenue	663.5	722.4	687.5	661.6	664.8
EBITDA	23.3 ¹	(11.4)	3.7	27.5	31.5
NPAT	4.0	(23.3)	(9.7)	4.7	5.5
Share Price at end of period (\$)	0.16	0.16	0.20	0.60	0.35
Dividends (cents per share)	-	-	-	-	-
EPS (cents per share) ³	0.84	(9.18)	(8.33)	2.59	4.95

¹ Statutory EBITDA is net profit after tax from continuing operations \$3.010m before financing items \$2.208m, tax expense \$1.395m, and depreciation and amortisation \$16.672m.

² The Madison business was discontinued on 21 January 2016 and is classified as a discontinued operation after this date. As the Madison business is a discontinued operation it is not reflected in the results presented above for FY2017-2022. The Group's wholly owned subsidiary, Builders Academy Australia was disposed 30 November 2021. BAA was classified as a discontinued operation for current financial year with comparative information re-presented.

³ EPS is based on Earnings for continuing operations only.

⁴ Comparative figures have been re-presented to classify discontinued operations consistently with current year disclosure.

Remuneration Tables – Details of KMP Remuneration

Details of the remuneration of KMP, including directors of the Group are set out in the following tables.

FY2024	Short Term Employee Benefits					Termination Benefits	Post-employment benefits	Long-term benefits	Share-based Payments (SBP)	Percentage of remuneration fixed & at risk						
	Directors Fees	Cash Salary and Fees	Short Term Incentive	Non-monetary benefits	Annual Leave					Termination Payments	Super	Long Service Leave	Performance Rights/Options	Total	Fixed	At Risk
	\$	\$	\$	\$	\$					\$	\$	\$	\$	\$	%	%
Current Non-Executive Directors																
R Grellman	120,000	-	-	-	-	-	13,200	-	-	133,200	100%	0%				
P O'Brien	93,915	-	-	-	-	-	2,386	-	-	96,301	100%	0%				
A Bloore	109,589	-	-	-	-	-	12,055	-	-	121,644	100%	0%				
D Denny	86,758	-	-	-	-	-	9,543	-	-	96,301	100%	0%				
Total	410,262	-	-	-	-	-	37,184	-	-	447,446						
Current Executive Directors																
R Simonds ¹	-	750,207	-	16,126	39,740	-	27,399	19,285	-	852,757	100%	0%				
M Simonds	91,234	-	-	4,028	7,066	-	10,046	2,864	-	115,328	100%	0%				
Total	91,234	750,207	-	20,154	46,806	-	37,445	22,149	-	968,085						
Current Senior Executives																
D McKeown ²	-	546,310	-	10,133	31,005	-	27,399	1,246	-	616,093	100%	0%				
B Strydom ³	-	239,545	-	6,777	15,444	-	17,760	2,837	-	282,363	100%	0%				
Total	-	785,855	-	16,910	46,449	-	45,159	4,083	-	898,456						
TOTAL KMP	501,496	1,536,062	-	37,064	93,255	-	119,788	26,232	-	2,313,987						

¹ On 3 November 2003, Simonds announced that Mr Rhett Simonds will serve solely as Executive Chair.
² On 3 November 2023, Simonds announced the appointment of Mr. David McKeown as the Group's Chief Executive Officer.
³ On 3 November 2023, Mr. Bertus Strydom was appointed as Group's Chief Financial Officer. He served as Executive General Manager of Finance before appointment to the role.

Remuneration Tables – Details of KMP Remuneration

Details of the remuneration of KMP, including directors of the Group are set out in the following tables.

FY2023	Short Term Employee Benefits					Termination Benefits		Post-employment benefits	Long-term benefits	Share-based Payments (SBP)	Percentage of remuneration fixed & at risk		
	Directors Fees	Cash Salary and Fees	Short Term Incentive	Non-monetary benefits	Annual Leave						Total	Fixed	At Risk
	\$	\$	\$	\$	\$			Super	Long Service Leave	Performance Rights/Options			
								\$	\$	\$	\$	%	%
Current Non-Executive Directors													
P O'Brien	86,758	-	-	-	-	-		9,110	-	-	95,868	100%	0%
A Bloore	109,589	-	-	-	-	-		11,507	-	-	121,096	100%	0%
D Denny	86,758	-	-	-	-	-		9,110	-	-	95,868	100%	0%
R Grellman ¹	17,846	-	-	-	-	-		1,874	-	-	19,720	100%	0%
Former Non-Executive Directors													
I Kirkwood ²	94,275	-	-	-	-	-		9,899			104,174	100%	0%
Total	395,226	-	-	-	-	-		41,500	-	-	436,726		
Current Executive Directors													
R Simonds	-	674,708	-	9,718	52,445	-		25,292	14,378	(59,973)	716,568	100%	0%
M Simonds	91,324	-	-	-	7,252	-		9,589	1,655	-	109,820	100%	0%
Total	91,324	674,708	-	9,718	59,697	-		34,881	16,033	(59,973)	826,388		
Current Senior Executives ³													
D McKeown ⁴	-	214,227	-	4,535	17,673	-		12,646	175	-	249,256	100%	0%
B Strydom	-	168,351	-	5,183	12,676	-		14,328	119	-	200,657	100%	0%
Total	-	382,578	-	9,718	30,349	-		26,974	294	-	449,913		
TOTAL KMP	486,550	1,057,286	-	19,436	90,046	-		103,355	16,327	(59,973)	1,713,027		

¹ On 9 May 2023, Simonds announced the appointment of Richard Grellman as an independent, non-executive director. Mr Richard Grellman is also the Chair of the Group's Audit & Risk Committee and a member of the Nomination & Remuneration Committee.

² On 9 May 2023, Simonds announced the retirement of Mr Iain Kirkwood as independent, non-executive director and Chair of the Company's Audit & Risk Committee.

³ Due to restructure in the current year, the senior executive KMPs were reassessed with respect to the relevant statutory guidance. As a result, the number of non-directors KMPs reduced to only CEO and CFO.

⁴ On 19 January 2023, Simonds announced the appointment of Mr. David McKeown as the Group Chief Financial Officer.

Executive Service Agreements

		Minimum notice period	
Name	Contract Length	Termination by Executive	Termination by Company
R Simonds	No fixed term	3 months	6 months
M Simonds	No fixed term	1 month	1 month
D McKeown	No fixed term	6 months	6 months
B Strydom	No fixed term	6 months	6 months

STI Payments to KMP

No STIs were paid to KMP in respect of FY24.

KMP Shareholdings

Shareholdings of KMP are set out below:

FY2024	Number of shares			
Name	Opening balance	Acquired	Other	Closing balance
Non-Executive Directors				
A Bloore	848,683	-	-	848,683
Total Non-Executive Directors	848,683	-	-	848,683
Executive Directors				
R Simonds	14,044	-	-	14,044
M Simonds	56,741	-	-	56,741
Total Executive Directors	70,785	-	-	70,785
Other KMPs				
D McKeown	-	290,113	-	290,113
TOTAL KMP	919,468	290,113	-	1,209,581

FY2023	Number of shares			
Name	Opening balance	Acquired	Other	Closing balance
Non-Executive Directors				
A Bloore	-	848,683	-	848,683
Former non-Executive Directors				
I Kirkwood	75,000	108,333	-	183,333
Total Non-Executive Directors	75,000	957,016	-	1,032,016
Executive Directors				
R Simonds	14,044	-	-	14,044
M Simonds	56,741	-	-	56,741
Total Executive Directors	70,785	-	-	70,785
TOTAL KMP	145,785	957,016	-	1,102,801

Loans to Director

The Group has not provided any loans to directors or their related parties during the year ended 30 June 2024 (2023: Nil).

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Other KMP Transactions

During the year, group entities entered into the following transactions with related parties which are not members of the Group.

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with KMP or their related entities:

	Sales of goods		Cost of goods			Leases and services rendered		Non-cash remuneration	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023		30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$		\$	\$	\$	\$
Vallence Gary Simonds and related entities:									
Properties leased on an arms-length basis	-	-	-	-		273,000	273,000	-	-
Advisory fee paid during the year	-	-	-	-		101,370	100,913	-	-
Remuneration for employee services	-	-	-	-		85,845	63,302	-	-
Service payment to The Trustee for the Consolidated Yacht Charter Trust	-	-	-	50,087		-	-	-	-
Construction contracts	627,828	-	487,582	-		-	-	-	-
Car park provided	-	-	-	-		-	-	20,266	19,437
	627,828	-	487,582	50,087		460,215	437,215	20,266	19,437
Simonds Family Office Pty Ltd									
Sponsorships	-	-	98,486	-		-	-	-	-
Properties and car park provided	-	-	-	-		123,327	-	-	-
Consulting services	-	-	-	-		227,204	642,762	-	-
	-	-	98,486	-		350,531	642,762	-	-
Mark Simonds and related entities:									
Payment for use of building licence	-	-	-	-		363,636	200,000	-	-
Remuneration for employee services	-	-	-	-		77,858	67,887	3,509	-
			-	-		441,494	267,887	3,509	-
David Denny and related entities:									
Tomlucsar Investments Pty Ltd - Consulting services	-	-	-	-		-	30,000	-	-
Total	627,828	-	586,068	50,087		1,252,240	1,377,864	23,775	19,437

At 30 June 2024, \$227,360 was outstanding by Vallence Gary Simonds and related entities for constructions builds. \$22,215 was payable from the Group to Vallence Gary Simonds and related entities for consulting fee and car parking lease. (2023: Nil).

¹Mark Simonds and Rhett Simonds are directors of Simonds Family Office Pty Ltd.

Auditor’s independence declaration

The auditor’s independence declaration is included after this report on page 80.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This directors’ report is signed in accordance with a resolution of directors pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the directors



Rhett Simonds
Executive Chairman
Melbourne, 19 August 2024



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AUDITOR’S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SIMONDS GROUP LIMITED

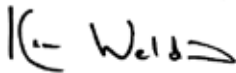
In relation to our review of the financial report of Simonds Group Limited for year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is made in respect of Simonds Group Limited and the entities it controlled during the period.



PKF
Melbourne, 19 August 2024



Kenneth Weldin
Partner

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INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SIMONDS GROUP LIMITED

Report on the Financial Report

Auditor’s Opinion

We have audited the accompanying financial report of Simonds Group Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors’ Declaration of the Company and the consolidated entity (the Group) comprising the Company and the entities it controlled at the year’s end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Company 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 2024 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Key Audit Matters

A Key Audit Matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on this matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matter	How our audit addressed this matter
Revenue recognition and work in progress on construction contracts	Our procedures included, but were not limited to, the following:
At 30 June 2024 the Group’s revenue amounted to \$663.5m (FY23: \$722.4m).	Reviewing and validating Management’s revenue recognition policy and assessing the principles, judgements and estimates outlined therein to AASB 15 and customer contracts.
In addition, there were associated contract-related liabilities and assets which unwind from the balance sheet as the Group satisfies related contracted performance obligations.	Conducting a walkthrough of controls in operation across the Group and evaluating of their design and implementation.
- Accrued revenue: \$55.8m (2023: \$54.3m) - Deferred Revenue: \$11.3m (2023: \$13.2m)	Testing the operating effectiveness of these controls in place with respect to the revenue recognition process and associated contract asset and contract cost balances.
Revenue from construction contracts is recognised based on the satisfaction of performance obligations. There is judgement applied by the Group in determining construction revenue with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.	Performing analytical reviews to understand the movements in revenue relative to performance in previous years and budget expectations.
As disclosed in Note 4, significant management estimation is required in assessing the percentage of completion of construction contracts.	Testing the integrity of the work in progress reconciliation and monthly reports to the corresponding revenue and costs of goods sold recognised in the statement of profit or loss.
The recognition of revenue and the related accounting for contract costs involves estimation and judgement and impacts the measurement of significant assets and liabilities. As such we have identified this as a key audit matter.	- Recalculating revenue recognised based on the stage of completion for a sample of jobs across each revenue segment. - Performing an impairment assessment over recognised work in progress balances, with a particular focus on any jobs with a forecast or actual negative margin. - Reviewing the appropriateness of the presentation and disclosure of revenue related balances within the financial statements.



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 2024 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 an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, we 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 information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 ; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue the 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)

As part of an audit in accordance with 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 other 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 group 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.



Auditor’s Responsibilities for the Audit of the Financial Report (Cont’d)

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

Auditor’s Opinion

We have audited the Remuneration Report included in the Directors’ Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of the Company for the year ended 30 June 2024, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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

PKF
Melbourne, 19 August 2024

Kenneth Weldin
Partner

Directors’ declaration

The directors declare that:

- a in the directors’ opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- b in the directors’ opinion, the attached financial statements are in compliance with International Financial Reporting Standards;
- c in the directors’ opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position and performance of the Group;
- d in the directors’ opinion, the consolidated entity disclosure statement is true and correct; and
- e the directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed, guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors’ opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 3 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the *Corporations Act 2001*.

On behalf of the Directors to shareholders at the 2024 Annual General Meeting.

Rhett Simonds
Executive Chairman
Melbourne, 19 August 2024

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	\$'000	\$'000
Continuing operations			
Revenue	4	663,480	722,432
Cost of sales		(525,070)	(603,211)
Gross profit		138,410	119,221
Expenses	9	(115,125)	(130,616)
Profit / (loss) before financing items, depreciation and amortisation		23,285	(11,395)
Depreciation and amortisation charges	15,16,33	(16,672)	(20,335)
Profit / (loss) before financing items and tax		6,613	(31,730)
Financing items			
Interest expense	6	(2,208)	(2,254)
Net financing cost		(2,208)	(2,254)
Profit / (loss) before tax		4,405	(33,984)
Income tax (expense) / benefit	7	(1,395)	10,534
Profit / (loss) from continuing operations after tax		3,010	(23,450)
Discontinued operations			
Profit from discontinued operations after tax	8	1,016	117
Profit / (loss) after tax for the year		4,026	(23,333)
Other comprehensive income, net of income tax			
		-	-
Total comprehensive profit/ (loss) for the year		4,026	(23,333)
Earnings per share			
From continuing operations			
Basic (cents per share)	10	0.84	(9.18)
Diluted (cents per share)	10	0.84	(9.18)
From continuing and discontinued operations			
Basic (cents per share)	10	1.12	(9.13)
Diluted (cents per share)	10	1.12	(9.13)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

For the year ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	\$'000	\$'000
Assets			
Current Assets			
Cash and cash equivalents		1,647	15,102
Trade and other receivables	11	54,156	39,941
Tax receivable	7	-	52
Accrued revenue	12	55,751	54,312
Inventories	13	22,221	19,012
Other assets	17	2,466	1,845
Total current assets		136,241	130,264
Non-Current Assets			
Property, plant and equipment	15	2,556	4,491
Intangible assets	16	3,015	1,956
Right-of-use assets	33	14,459	19,972
Deferred tax assets	7	2,022	3,852
Total non-current assets		22,052	30,271
Total assets		158,293	160,535
Liabilities			
Current Liabilities			
Trade and other payables	18	92,893	89,696
Deferred revenue		11,332	13,185
Borrowings	19	843	364
Lease liability	33	11,082	11,693
Provisions	20	11,856	13,880
Total current liabilities		128,006	128,818
Non-Current Liabilities			
Lease liability	33	4,455	9,399
Provisions	20	7,325	7,837
Total non-current liabilities		11,780	17,236
Total liabilities		139,786	146,054
Net assets		18,507	14,481
Equity			
Issued capital	21	37,867	37,867
Reserves	22	21,644	21,644
Accumulated losses		(41,004)	(45,030)
Total equity		18,507	14,481

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2024

		Issued capital	Share based payments reserve	Share buy-back reserve	Accumulated losses	Total
Consolidated	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		13,505	28,848	(7,204)	(21,697)	13,452
Loss after tax for the year		-	-	-	(23,333)	(23,333)
Issue of new shares	21	25,521	-	-	-	25,521
Share issue transactions cost	21	(1,159)	-	-	-	(1,159)
Balance at 30 June 2023		37,867	28,848	(7,204)	(45,030)	14,481
Balance at 1 July 2023		37,867	28,848	(7,204)	(45,030)	14,481
Profit after tax for the year					4,026	4,026
Issue of new shares	21	-	-	-	-	-
Share issue transactions cost	21	-	-	-	-	-
Balance at 30 June 2024		37,867	28,848	(7,204)	(41,004)	18,507

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		711,015	813,478
Payments to suppliers and employees		(706,209)	(825,198)
Cash generated from / (used in) in operations		4,806	(11,720)
Finance costs	6	(2,208)	(2,254)
Income taxes refund		52	9,881
Net cash generated from / (used in) operating activities	30	2,650	(4,093)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		60	1,046
Payments for property, plant and equipment		(920)	(1,875)
Payments for intangible assets		(2,415)	(76)
Net cash (used in) investing activities		(3,275)	(905)
Cash flows from financing activities			
Net proceeds of borrowings		479	78
Repayment of lease principal		(13,309)	(15,473)
Proceeds from issue of equity		-	25,521
Payment of share issue transaction costs		-	(1,159)
Net cash generated from / (used in) financing activities		(12,830)	8,967
Net (decrease) / increase in cash and cash equivalents		(13,455)	3,969
Cash and cash equivalents at the beginning of the year		15,102	11,133
Cash and cash equivalents at the end of the year		1,647	15,102

The accompanying notes form part of these financial statements.

1 GENERAL INFORMATION

The Company is incorporated in Australia and is a for-profit entity.

The Company's registered office and principal place of business is as follows:

Level 4, 570 St Kilda Road,
MELBOURNE VIC 3004

These financial statements comprise the consolidated financial statements of the Company and the entities it controls (the "Group"). The entities controlled by the Company are detailed in note 14 to the financial statements. The Group's principal activities during the financial year were the design, sale and construction of residential dwellings.

2 APPLICATION OF NEW & REVISED ACCOUNTING STANDARDS

Amendments to AASBs and the new interpretation that are effective and adopted for the current year.

There are no new standards effective in the current financial year that have a material effect on the financial statements of the Group.

Standards and interpretations in issue not yet adopted

- AASB 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027)

There is no material impact on the Group as a result of the implementation of this standard.

At the date of signing these financial statements, the Directors have reviewed all Standards and Interpretations on issue but not yet effective and do not expect these Standards and Interpretations to have a material effect on the financial statements of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The financial statements were authorised for issue by the directors on 19 August 2024.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost.

All amounts are presented in Australian dollars, unless otherwise noted.

Comparatives have been reclassified where appropriate to ensure consistency and comparability with the current period.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Going concern

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

The Group has achieved profit after tax of \$4.026m (2023: Loss \$23.333m) and positive operating cash flows of \$2.650m (2023: Deficit operating cash flows of \$4.093m) for the year ended 30 June 2024. The turnaround in trading performance was supported by higher margins resulting from diversified revenue mix whilst reducing the indirect costs.

As at 30 June 2024, the Group had a positive net asset value position of \$18.507m (2023: \$14.481m) and cash balance of \$1.647m (2023: \$15.102m) measured by cash and cash equivalents. The Group's liquidity remains strong and there is sufficient headroom to support the forecasted working capital needs.

Higher interest rates and cost of living pressure will continue to impact residential sales. In response to these challenges, the Group has implemented a multi-channel strategy. Additionally, the various cost-saving initiatives are expected to continue to optimise overheads related cost.

Based on the available information to the Directors at the date of signing this financial report, the Directors are of the opinion that the Group will be able to pay its debts as and when they fall due and accordingly the Directors consider it appropriate for the financial report to be prepared on the going concern basis.

4 REVENUE

Accounting policy – Revenue recognition

Construction contracts

Contracts entered into are for the construction of residential homes. The construction of each dwelling is taken to be one performance obligation. The transaction price is normally fixed at the start of the contracts. When a variation for the building works is required and agreed upon per the contract the variation will be included in the transaction price and accounted for accordingly. The performance obligation is recognised and fulfilled over time and as such revenue is recognised over time.

Revenue earned is referenced to the stage of completion of the contract activity, based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Our customers are invoiced on achievement of each key milestone in the build program. Invoices are paid on normal commercial terms. Deposit payments received prior to work being performed are recognised as deferred revenue on the balance sheet.

Display homes

Revenue in respect of the sale of display homes is recognised at a point in time when control is transferred to purchaser. Revenue is measured at the transaction price agreed under the contract.

Variable consideration

Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved (as this is the point in time when there can be reasonable assurance that there will not be significant reversal) known as "constraint" requirements. The Group assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where variations in design or requirements are entered into, the transaction price is updated to reflect these when the variation has been agreed.

Contract assets and liabilities

The Group has adopted the terms accrued revenue for 'contract assets' and deferred revenue for 'contract liabilities' as defined within AASB 15 'Revenue from Contracts with Customers'. Accrued revenue is the Group's right to payment for goods and services transferred to a customer where that right to payment is conditional on something other than passage of time. Deferred revenue is the Group's obligation to transfer goods or services to a customer at the earlier of (a) when the customer pays consideration or (b) the time that the customer's consideration is due for goods and services the Group will yet provide.

Contract fulfilment costs

Costs incurred prior to the commencement of construction of building may arise due to feasibility studies, environmental impact studies and preliminary design activities as these are costs incurred to fulfil a contract. Where these costs are expected to be recovered, they are capitalised and amortised over the course of the contract consistent with the transfer of service to the customer. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue and allocated to the performance obligations within the contract and recognised as revenue over the course of the contract.

Incremental costs

Commissions payable to sales consultants in respect of contracts to build are recognised as an asset when expected to be recovered and released over the period of the build.

Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other revenue

Revenue received in respect of the Group arranging a purchaser to acquire land from a land developer is recognised once all benefits of owning the land are transferred to the new owner.

The following is an analysis of the Group’s revenue for the year.

	30 June 2024	30 June 2023
	\$'000	\$'000
Continuing operations		
Revenue from residential construction contracts	663,480	722,432
	663,480	722,432
Discontinued operations	-	-
Total	663,480	772,432

Critical accounting judgement - percentage of completion on the construction contracts

Percentage complete is based on the estimated cost to construct a building incurred to date, compared against the total estimated cost of completing that building. The total cost of that build is based on a historical average of similar builds. The amount of revenue recognised during the build is based on this percentage complete calculation. This historical average is reviewed annually to ensure that it is a materially accurate reflection of current build costs.

Estimate of construction contracts on a percentage completion basis, in particular with regard to accounting for variations of cost, the timing of profit recognition and the amount of profit recognised can often result in an adjustment to the reported revenues and expenses and/ or the carrying amount of assets and liabilities.

5 SEGMENT INFORMATION

Products and services from which reportable segments derive their revenue

Information on segment performance focuses on the types of products and services the Group provides.

No operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group’s reportable segments are:

- Residential construction - this includes activities relating to contracts for residential home construction, speculative home building and the building of display home inventory.
- Development - this includes activities relating to land development and sales.
- Discontinued operations:
 - House of Learning Pty Ltd and City-Wide Building and Training Services Pty Ltd previously formed the registered training segment which was divested on 30 November 2021 and as such are presented as a discontinued operation in this year’s annual financial report (refer note 8 for more information).
 - Madisson Homes Australia Pty Ltd is a subsidiary of the Group and in the prior years formed part of the residential construction segment. Madisson Homes operated in the medium density market, building apartments and townhouses for commercial developers using the concepts, designs and specifications provided by the developers. Consistent with the prior reporting period, this business unit has been presented as a discontinued operation (refer note 8 for more information).

Segment revenues and results

The following is an analysis of the Group’s revenue for the year.

	Segment Revenue		Segment profit/(loss) before tax	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Residential construction	663,480	772,432	4,405	(33,906)
Land development	-	-	-	(78)
	663,480	772,432	4,405	(33,984)
Discontinued operations	-	-	1,451	167
Consolidated segment revenue and profit/(loss) before tax for the period	663,480	772,432	5,856	(33,817)

Segment assets and liabilities

	30 June 2024	30 June 2023
	\$'000	\$'000
Segment assets		
Residential construction	155,861	156,227
Land development	1	239
	155,862	156,466
Discontinued operations	408	165
Total segment assets	156,270	156,631
Current tax receivable	-	52
Deferred tax assets	2,023	3,852
Total assets	158,293	160,535
Segment liabilities		
Residential construction	138,829	144,361
Land development	12	189
	138,841	144,550
Discontinued Operations	945	1,504
Total segment liabilities	139,786	146,054
Total liabilities	139,786	146,054

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments. Comparative figures have been re-presented to be consistent with current year disclosure.

Other segment information

	Interest Expense		Depreciation & Amortisation	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Residential construction	2,208	2,240	16,672	19,959
Land development	-	14	-	376
	2,208	2,254	16,672	20,335
Discontinued operations	-	-	-	-
Total	2,208	2,254	16,672	20,335

	Additions to non-current assets	
	30 June 2024	30 June 2023
	\$'000	\$'000
Continuing operations		
Residential construction	11,127	12,544
Land development	-	289
	11,127	12,833
Discontinued operations	-	-
Total	11,127	12,833

Revenue by Geographical region

The Group operates in one geographical area – Australia. The Group’s revenue and profits are all generated from this region.

Information about major customers

No single customer contributed 10% or more to the Group’s revenue for the year ended 30 June 2024 and the year ended 30 June 2023.

6 FINANCE COSTS

	30 June 2024	30 June 2023
	\$'000	\$'000
Interest on bank overdrafts, loans and leases	2,208	2,254
Continuing operations	2,208	2,254

7 INCOME TAXES

Tax consolidation

The entities, except the trusts within the Group have formed a tax-consolidated group with effect from 1 July 2010 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Simonds Group Limited. Current tax expense/ (income), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in those entities using the ‘separate taxpayer within group’ approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

The tax funding arrangements require payments to/ (from) the head entity equal to the current tax liability/ (asset) assumed by the head entity and any tax-loss

deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/ (payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivable/(payable) are at call. Contributions to fund the tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity’s obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Income tax recognised

	30 June 2024	30 June 2023
	\$'000	\$'000
Current tax		
(Benefit) / expense in respect of the current year	-	-
(Benefit) in respect of prior years	-	-
	-	-
Deferred tax		
Expense/(benefit) in respect of the current years	2,120	(10,484)
Expense/(benefit) in respect of prior years	(290)	-
	1,830	(10,484)
Consolidated income tax expense recognised in the current year	1,830	(10,484)
Income tax expense / (benefit) from continuing operations	1,395	(10,534)
Income tax expense from discontinued operations	435	50
Total	1,830	(10,484)

The income tax expense can be reconciled to the accounting profit as follows:

	30 June 2024	30 June 2023
	\$'000	\$'000
Profit/(loss) before tax from continuing operations	4,405	(33,984)
Profit before tax from discontinued operations	1,451	167
Profit before tax	5,856	(33,817)
Income tax / expense (benefit) calculated at 30% (2022: 30%)	1,757	(10,145)
Effect of Executive Share Based Payments non-deductible	-	(24)
Effect of expenses that are not deductible in determining taxable profit	173	180
Other adjustments	(100)	(495)
	1,830	(10,484)
Adjustments recognised in the current year in relation to deferred and current tax of prior years	-	-
Income tax (benefit) / expense recognised in profit or loss	1,830	(10,484)
Income tax (benefit) / expense from continuing operations	1,395	(10,534)
Income tax (benefit) / expense from discontinued operations	435	50
Total	1,830	(10,484)

The tax rate used for the 2024 and 2023 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Current tax assets and liabilities

	30 June 2024	30 June 2023
	\$'000	\$'000
Income tax refundable	-	52

Deferred tax balances

	30 June 2024	30 June 2023
	\$'000	\$'000
Amounts recognised in profit or loss		
Deferred tax assets	14,870	15,405
Deferred tax liabilities	(12,848)	(11,553)
Net deferred tax	2,022	3,852

2024	Opening balance	Under / over	Recognised in profit or loss	Closing balance
	\$'000	\$'000	\$'000	\$'000
Construction Contracts income	(11,202)	-	(1,080)	(12,282)
Capitalised Courses and Product Design	(351)	-	(214)	(565)
Property, Plant, Equipment & Intangibles	1,651	72	(462)	1,261
Provision for warranty & contract maintenance	1,048	(1)	(681)	366
Employee Entitlements	1,392	4	300	1,696
DTA on losses	9,717	-	883	10,600
Other	1,597	215	(866)	946
Total	3,852	290	(2,120)	2,022

2023	Opening balance	Under / over	Recognised in profit or loss	Closing balance
	\$'000	\$'000	\$'000	\$'000
Construction Contracts income	(12,712)	-	1,510	(11,202)
Capitalised Courses and Product Design	(472)	-	121	(351)
Property, Plant, Equipment & Intangibles	791	-	860	1,651
Provision for warranty & contract maintenance	869	-	179	1,048
Employee Entitlements	2,021	-	(629)	1,392
DTA on losses	1,889	-	7,828	9,717
Other	982	-	615	1,597
Total	(6,632)	-	10,484	3,852

8 DISCONTINUED OPERATIONS

Madisson Business

Following a comprehensive review initiated by the Directors on 16 November 2015, the Group announced a plan for the orderly closure of the Madisson business unit of the Group on 21 January 2016 upon completion of the remaining projects. All projects were completed in financial year ended 30 June 2017. As part of the warranty rules under the statutory regulations, the business is still incurring liability for warranty claims. As such, the expenses are predominantly related to warranty and related activities.

Financial performance for the year from the Madisson business

	30 June 2024	30 June 2023
	\$'000	\$'000
Revenue	-	-
Expenses		
Insurance claim proceeds	1,551	2,263
Maintenance & warranty	(100)	(2,040)
Total recoveries	1,451	223
Profit before tax	1,451	223
Attributable income tax expense	(435)	(67)
Profit after tax for the year	1,016	156

Builders Academy Australia

On 30 September 2021, the Group entered into a sale agreement to dispose its wholly owned subsidiaries, Builders Academy Australia (BAA) and City-Wide Building & Training Services Pty Ltd (CWBTS), collectively referred to as House of Learning Pty Ltd (HOL), which operated as a registered training organisation. The disposal was completed on 30 November 2021, on which date control of BAA passed to the acquirer UP Education Australia Pty Ltd. The Group does not expect any further material financial impacts from this transaction.

The result of the discontinued operations, which have been included in the loss for the year, was as follows:

Loss for the year from Registered training operations are summarised as follows:

	30 June 2024	30 June 2023
	\$'000	\$'000
Expenses	-	(56)
Loss before tax	-	(56)
Attributable tax benefit	-	17
Net profit/(loss) after tax for the year	-	(39)

9 EXPENSES FOR THE YEAR

	30 June 2024	30 June 2023
	\$'000	\$'000
(Loss) / profit on disposal of property, plant and equipment and intangible assets	(238)	396
Marketing and selling expenses	(17,890)	(20,717)
Corporate and administrative expenses	(21,851)	(24,050)
Employee benefits expense	(75,146)	(81,450)
Transformation expenses ⁽ⁱ⁾	-	(4,795)
Total	(115,125)	(130,616)

⁽ⁱ⁾ The transformation costs in prior year include expenses attributable to non-underlying activities which are outside of ordinary course of the business such as restructure of the business. Included within transformation expenses were redundancy and related costs of \$2.789m and corporate and administrative expenses of \$2.006m, which are excluded from expenses lines above.

10 EARNINGS PER SHARE

	30 June 2024	30 June 2023
	Cents per share	Cents per share
<i>From continuing operations</i>		
Total basic profit / (loss) per share	0.84	(918)
Total diluted profit / (loss) per share	0.84	(918)
<i>From continuing and discontinued operations</i>		
Total basic profit / (loss) per share	1.12	(913)
Total diluted profit / (loss) per share	1.12	(913)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings are as follows:

	30 June 2024	30 June 2023
	\$'000	\$'000
<i>From continuing operations</i>		
Profit / (loss) for the year attributable to owners of the Company	3,010	(23,450)
<i>From continuing and discontinued operations</i>		
Profit / (loss) for the year attributable to owners of the Company	4,026	(23,333)
	Shares	Shares
Weighted average number of ordinary shares for the purposes of the basic earnings per share	359,906,450	255,436,124

Diluted earnings per share

	30 June 2024	30 June 2023
	\$'000	\$'000
<i>From continuing operations</i>		
Profit / (loss) for the year attributable to owners of the Company	3,010	(23,450)
<i>From continuing and discontinued operations</i>		
Profit / (loss) for the year attributable to owners of the Company	4,026	(23,333)
	Shares	Shares
Weighted average number of ordinary shares for the purposes of the basic earnings per share	359,906,450	255,436,124
Shares deemed to be issued for no consideration in respect of: Performance Rights / Options	249,863	968,455
Weighted average number of ordinary shares for the purposes of the diluted earnings per share	360,156,313	256,404,579

11 TRADE AND OTHER RECEIVABLES

	30 June 2024	30 June 2023
	\$'000	\$'000
Current		
Trade receivables ⁽ⁱ⁾	53,580	39,384
	53,580	39,384
Other receivables	576	557
Total	54,156	39,941

⁽ⁱ⁾The amounts pertaining to related party receivables are disclosed within note 26.

Trade receivables

The average settlement terms for progress invoices in relation to residential contracts are between 7 and 45 days. The Group has written off all receivables that are known to be uncollectable. Prior to accepting a new customer for the construction of a dwelling, the Group ensures that appropriate contractual terms are in place with the customer and that the customer has secured financing in advance of the commencement of construction.

In determining the recoverability of a trade receivables, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated and dwellings constructed for customers serving as a security against the receivable.

Age of receivables from continuing operations that are past due but not impaired

	30 June 2024	30 June 2023
	\$'000	\$'000
46 - 60 days	2,295	1,436
61 - 90 days	2,164	1,389
91 - 120 days	1,154	965
Over 120 days	1,825	5,060
Total	7,438	8,850
Average age (days)	100	123

Receivables past due but not impaired primarily relate to final settlement payments upon completion of construction and supplier rebate. The Group has included in its considerations for any expected credit loss of these receivables, with no current material indication requiring a provision as at 30 June 2024. There were no bad debts recognised in the profit and loss statement for the year ended 30 June 2024.

12 ACCRUED REVENUE

	30 June 2024	30 June 2023
	\$'000	\$'000
Work in progress on residential construction contracts	55,751	54,312

13 INVENTORIES

	30 June 2024	30 June 2023
	\$'000	\$'000
Speculative homes and Display, land stock	22,221	19,090
Provision for impairment of inventories	-	(78)
Total	22,221	19,012

Land costs includes the cost of acquisition, development, borrowings and all other costs directly related to specific projects.

Display homes costs includes direct costs of building the speculative and display homes.

The impairment provision of display homes above is assessed using recent market values. This assessment includes current independent valuations, current offers to purchase the display homes, and current asking prices to sell these display homes. In conducting the assessment as at 30 June 2024, current market conditions have been taken into account and no adjustment was deemed necessary.

14 SUBSIDIARIES

Details of the Group’s subsidiaries at the end of the reporting period are as follows.

	Principal activity	Place of incorporation and operation	Proportion of ownership interest & voting power held by the Group	
	\$'000	\$'000	2024	2023
Simonds Homes Victoria Pty Ltd	Residential – VIC	Australia	100%	100%
Simonds Homes NSW Pty Ltd	Residential – NSW	Australia	100%	100%
Simonds Queensland Constructions Pty Ltd	Residential – QLD	Australia	100%	100%
Simonds SA Pty Ltd	Residential – SA	Australia	100%	100%
Simonds WA Pty Ltd	Residential – WA	Australia	100%	100%
Madisson Homes Australia Pty Ltd	Residential – VIC	Australia	100%	100%
Simonds Personnel Pty Ltd	Payroll service entity	Australia	100%	100%
Simonds Assets Pty Ltd	Asset service entity	Australia	100%	100%
Simonds IP Pty Ltd	Intellectual property service entity	Australia	100%	100%
Simonds Corporate Pty Ltd	Asset service entity	Australia	100%	100%
Jackass Flat Developments Pty Ltd	Land development and sales	Australia	100%	100%
Simonds Land Development Pty Ltd	Land development and sales	Australia	100%	100%
Bridgeman Downs Land Project Pty Ltd	Land development and sales	Australia	100%	100%
Discover Developments Pty Ltd	Land development and sales	Australia	100%	100%
Discover Gisborne Pty Ltd	Land development and sales	Australia	100%	100%

- Simonds Group Limited is the head entity within the tax consolidated group.
- All Group subsidiaries are members of the tax consolidated group.
- Simonds Group Limited and its subsidiaries have entered into a deed of cross guarantee with Simonds Group Limited pursuant to ASIC Class Order 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.
- No subsidiaries have been acquired or incorporated during the year ended 30 June 2024 (30 June 2023: None).
- The above companies represent a “Closed Group” or the Class Order. The closed Group’s Statement of Profit or loss and Other Comprehensive Income for the year and closed group’s Statement of Financial Position as at 30 June 2024 are the same as the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year and the Consolidated Statement of Financial Position as at 30 June 2024 disclosed on pages 87–88.

15 PROPERTY, PLANT & EQUIPMENT

Accounting policy

The carrying amount of property, plant and equipment which is measured on the cost basis, is subject to impairment testing and is reviewed to determine whether they are in excess of their recoverable amount at balance date.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The following estimated useful lives are used in the calculation of depreciation:

Useful life	
Leasehold improvements	5 years or the period of the lease
Computer equipment	3 - 5 years
Office furniture and fittings	5 years
Display home furniture, fixtures & fittings	2 years
Motor vehicles	5 years
Plants and equipment	5 years

15 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Leasehold Improvements	Computer equipment	Office furniture & fittings	Display home furniture, fixtures & fittings	Motor vehicles	Plants & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost							
Balance at 1 July 2022	6,867	7,063	3,275	5,160	583	329	23,277
Additions	-	207	36	1,327	-	-	1,570
Transfers	-	305	-	-	-	-	305
Disposals	-	(7)	(3)	(18)	(80)	-	(108)
Balance at 30 June 2023	6,867	7,568	3,308	6,469	503	329	25,044
Cost							
Balance at 1 July 2023	6,867	7,568	3,308	6,469	503	329	25,044
Additions	24	286	21	589	-	-	920
Disposals	(2,680)	(73)	(1,268)	(2,718)	(4)	(52)	(6,795)
Balance at 30 June 2024	4,211	7,781	2,061	4,340	499	277	19,169
Accumulated depreciation							
Balance at 1 July 2022	(5,571)	(4,719)	(2,412)	(3,749)	(566)	(280)	(17,297)
Depreciation Expense	(520)	(1,118)	(340)	(1,299)	(14)	(49)	(3,340)
Disposals	-	5	-	-	79	-	84
Balance at 30 June 2023	(6,091)	(5,832)	(2,752)	(5,048)	(501)	(329)	(20,553)
Accumulated depreciation							
Balance at 1 July 2023	(6,091)	(5,832)	(2,752)	(5,048)	(501)	(329)	(20,553)
Depreciation Expense	(336)	(796)	(219)	(1,145)	(2)	-	(2,498)
Disposals	2,585	15	1,078	2,704	4	52	6,438
Balance at 30 June 2024	(3,842)	(6,613)	(1,893)	(3,489)	(499)	(277)	(16,613)
Net book value							
As at 30 June 2023	776	1,736	556	1,421	2	-	4,491
As at 30 June 2024	369	1,168	168	851	-	-	2,556

16 INTANGIBLE ASSETS

Accounting policy

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The following estimated useful lives are used in the calculation of amortisation:

	Useful life
Computer Software	3 years
Capitalised Product Designs	3 years

Internally-generated intangible assets – research and development expenditure

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

	Computer Software	Capitalised Product Designs	Total
	\$'000	\$'000	\$'000
Cost			
Balance at 1 July 2022	7,392	5,812	13,204
Additions	114	267	381
Transfers	-	(305)	(305)
Disposals	(1,012)	(75)	(1,087)
Balance at 30 June 2023	6,494	5,699	12,193
Cost			
Balance at 1 July 2023	6,494	5,699	12,193
Additions	885	1,530	2,415
Disposals	(4)	(132)	(136)
Balance at 30 June 2024	7,375	7,097	14,472
Accumulated amortisation			
Balance at 1 July 2022	(5,116)	(3,486)	(8,602)
Amortisation Expense	(1,521)	(944)	(2,465)
Disposals	782	48	830
Balance 30 June 2023	(5,855)	(4,382)	(10,237)
Accumulated amortisation			
Balance at 1 July 2023	(5,855)	(4,382)	(10,237)
Amortisation Expense	(483)	(812)	(1,295)
Disposals	-	75	75
Balance 30 June 2024	(6,338)	(5,119)	(11,457)
Net Book Value			
As at 30 June 2023	639	1,317	1,956
As at 30 June 2024	1,037	1,978	3,015

17 OTHER ASSETS

	30 June 2024	30 June 2023
	\$'000	\$'000
Prepayments	2,270	1,704
Advance to sales consultants	-	10
Other assets	196	131
Total	2,466	1,845

18 TRADE & OTHER PAYABLES

	30 June 2024	30 June 2023
	\$'000	\$'000
Trade payables	53,535	54,026
Construction accruals	33,507	29,608
Goods and services tax payable	1,779	886
Other payables and accruals	4,072	5,176
Total	92,893	89,696

19 BORROWINGS

	30 June 2024	30 June 2023
	\$'000	\$'000
Current		
Other borrowings	843	364
Total	843	364

Summary of borrowing arrangements

Details of the Group’s borrowing facility as at 30 June 2024 are as follows:

Facility	Utilised	Unutilised	Interest Charge	Description	Maturity Date
	\$'000	\$'000			
Market Rate Loan	-	3,000	Variable Market Rate	The Group’s facilities are secured by all Simonds Group Limited corporate entities.	31 December 2025
Bank Guarantees	573 ¹	3,427	Fixed Market Rate		
Overdraft Facility	-	18,500	Overdraft Index Rate		
Business Corporate Credit Card Facility	1,000	-	Cash Advance Interest Rate	Charged Card facility made available to Simonds Group.	31 December 2025
Equipment Finance Facility	5,276 ²	2,724	Fixed Market Rate	Asset under leases are secured by the assets leased with repayments periods not exceeding 5 years.	31 December 2025
Total	6,849	27,651			

¹Bank guarantees is disclosure in contingent liability note 32.
²Recorded as part of lease liabilities.

In addition to the debt facility outlined above, the Group has additional facilities as below:

Facility	Utilised	Unutilised	Interest Charge	Description	Maturity Date
	\$'000	\$'000			
Microsoft Financing	364	-	Fixed Interest Rate	The Group entered into a Master Installment Payment Agreement with De Lage Landen Pty Ltd, which covers license subscription for Microsoft products for the period from January 2024 to December 2024.	31 December 2024
Insurance premium Funding	479	-	Fixed Interest Rate	The Group entered into a premium funding contract with IQumulate Premium Funding Pty Ltd, which covers various corporate insurance for period from November 2024 to October 2025.	30 August 2025
Total	843	-			

20 PROVISIONS

Accounting policy

Maintenance and warranty

Provisions for the cost of maintenance and warranty is the directors’ best estimate of the expenditure required to settle the Group’s obligations under legislative requirements.

Make good

Provisions for make good are based on the directors’ best estimates of the costs required to reinstate the display homes and commercial leased properties under legislation; or requirement to be at a saleable standard.

	30 June 2024	30 June 2023
	\$'000	\$'000
Provision for employee benefits ⁽ⁱ⁾	8,304	7,865
Cash settled share-based payment	-	-
Provision for warranty and contract maintenance ⁽ⁱⁱ⁾	10,153	12,010
Provision for make good ⁽ⁱⁱⁱ⁾	724	1,842
	19,181	21,717
Current	11,856	13,880
Non-current	7,325	7,837
Total	19,181	21,717

⁽ⁱ⁾ The provision for employee benefits represents annual leave and long service leave entitlements accrued and compensation claims made by employees.
⁽ⁱⁱ⁾ The provision for warranty claims represents the present value of the directors’ best estimate of the future outflow of economic benefits that will be required under the Group’s obligations for warranties related to residential construction. The estimate has been made on the basis of historical warranty trends and may vary as a result of the annual build program, the history of defects relating to materials used or in the nature of services provided.
⁽ⁱⁱⁱ⁾ Provisions based on the directors’ best estimates of the costs required to reinstate the display homes and commercial leased properties under legislation; or requirement to be at a saleable standard.

The movement in provisions during the financial year is as below:

2024	Cash settled share-based payment	Warranty & contract maintenance	Make good	Total
	\$'000	\$'000	\$'000	\$'000
At 30 June 2023	-	12,010	1,842	13,852
Additional provision recognised during the year	-	2,560	204	2,764
Provision utilised during the financial year	-	(4,417)	(1,322)	(5,739)
At 30 June 2024	-	10,153	724	10,877

Critical accounting judgements and key sources of estimation uncertainty
- provision for maintenance and warranties

At each year end the Group considers its legal and constructive obligations for warranties and maintenance on properties constructed. Typically, the Group makes provision for warranties for a period of up to ten years following the completion of a construction contract. The directors take into account the annual build program, history of defects relating to materials used or in services provided and the historical liabilities the Group has assumed in respect of warranties in estimating the provision for warranties. The directors use a present value methodology to recognise the best estimate of the expenditure required to settle the Group's obligation.

The Group use an actuarial model based on historical maintenance and warranty spend to provide an estimate for the maintenance and warranty provision. Key assumptions in this model were developed by an independent actuary and are reviewed internally regularly, to ensure they remain appropriate for calculating the maintenance and warranty provision as at 30 June 2024 There has been no significant change to the model assumptions to those used in the prior financial year.

21 ISSUED CAPITAL

	30 June 2024	30 June 2023
	\$'000	\$'000
359,906,450 fully paid ordinary shares (June 2023: 359,906,450)	37,867	37,867
Total	37,867	37,867

	Number of Shares		Share capital (\$'000)	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
			\$'000	\$'000
Balance at beginning of the period	359,906,450	147,234,268	37,867	13,505
Movement in ordinary shares	-	212,672,182	-	25,521
Share issue transaction costs	-	-	-	(1,159)
Balance at end of the period	359,906,450	359,906,450	37,867	37,867

22 RESERVES

	30 June 2024	30 June 2023
	\$'000	\$'000
Share Buy-back Reserve	(7,204)	(7,204)
Share Based Payment Reserve	28,848	28,848
Total	21,644	21,644

Share Buy-back Reserve

On 20 August 2015, the Group announced its intention to undertake an on-market share buy-back ("buy-back") to enable the Group to acquire up to a maximum of 7.570m shares within a 12-month period. The buy-back was part of the Group's ongoing capital management strategy and determined by the Directors to be an appropriate use of Group capital resources given current market conditions at the time. The Group bought back 7.570m of its issued shares and as a result, the balance between the total buy-back and the amount deemed a reduction in capital was recorded in the share buy-back reserve.

Share Based Payment Reserve

This reserve is used to recognise the value of equity settled benefits provided to employees and directors as part of their remuneration.

23 DIVIDENDS PAID OR PAYABLE

During the year, Simonds Group Limited made the following dividend payments:

	Year ended 30 June 2024		Year ended 30 June 2023	
	Cents per share	Total \$'000	Cents per share	Total \$'000
Final dividend	-	-	-	-

The company's adjusted franking account balance as at 30 June 2024 is \$9.760m (2023: \$9.760m).

24 FINANCIAL INSTRUMENTS

Accounting policy

Non-derivative financial instruments

Capital risk management

Directors review the capital structure on an ongoing basis. As a part of this review the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues, and the issue or repayment of debt.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash, and equity attributable to equity holders of the parent, comprising issued capital, accumulated losses and dividends, as disclosed in notes 21 to 23.

Financial risk management

The Group does not enter into or trade financial instruments, for speculative purposes. The use of financial instruments is governed by the Group’s policies which are approved by the directors. The Chief Financial Officer is responsible for managing the Group’s treasury requirements in accordance with this policy.

The Group hold the following financial instruments at amortised costs:

	30 June 2024	30 June 2023
	\$'000	\$'000
Financial Assets		
Cash and Cash equivalents	1,647	15,102
Trade and other receivables	54,156	39,941
	55,803	55,043
Financial Liabilities		
Trade and other payables	92,893	89,696
Lease liabilities	15,537	21,092
Borrowings	843	364
Total	109,273	111,152

Market Risk

i) Interest rate risk management

The Group is exposed to interest rate risk as the entities in the Group borrow funds at both fixed and variable interest rates. There is an interest rate exposure for these utilised facilities when they are used during each financial year (Refer to note 19 for details of these facilities).

A sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group’s profit for the year ended 30 June 2024 would decrease/increase by \$0.038m (2023: \$0.049m). This is mainly attributable to the Group’s exposure to interest rates on its variable rate borrowings.

Credit Risk

Credit risk arises from financial assets which comprise cash and cash equivalents, trade and other receivables and the granting of financial guarantees. Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets as well as in relation to financial guarantees granted.

Construction contracts require the customer to obtain finance prior to starting the build. Contracts for Speculative Housing, Displays and Land require payment in full prior to passing of title to customers. The Group has no significant concentrations of credit risk and does not hold any credit derivatives to offset its credit exposure.

Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

i) Maturities of financial liabilities

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Year ended 30 June 2024	< 6 months	6 -12 months	>1-5 years	Total
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
Trade and other payables	92,893	-	-	92,893
Lease liabilities	1,116	10,783	4,755	16,654
Borrowings	843	-	-	843
Total	94,852	10,783	4,755	110,390

Year ended 30 June 2023	< 6 months	6 -12 months	>1-5 years	Total
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
Trade and other payables	89,696	-	-	89,696
Lease liabilities	698	10,995	9,399	21,092
Borrowings	364	-	-	364
Total	90,758	10,995	9,399	111,152

25 KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the Company and the Group is set out below

	30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	2,167,967	1,653,318
Post-employment benefits	119,788	103,355
Other long-term benefits	26,232	16,327
Share-based payments	-	(59,973)
Total	2,313,987	1,713,027

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26 RELATED PARTY TRANSACTIONS

Trading Transactions

During the year group entities entered the following transactions with related parties which are not members of the Group.

	Sale of Goods		Cost of Goods		Leases and services rendered		Non-cash remuneration	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Vallence Gary Simonds and related entities:								
Properties leased on an arms-length basis	-	-	-	-	273,000	273,000	-	-
Advisory fee paid during the year	-	-	-	-	101,370	100,913	-	-
Remuneration for employee services	-	-	-	-	85,845	63,302	-	-
Service payment to The Trustee for the Consolidated Yacht Charter Trust	-	-	-	50,087	-	-	-	-
Construction contracts	627,828	-	487,582	-	-	-	-	-
Car park provided	-	-	-	-	-	-	20,266	19,437
	627,828	-	487,582	50,087	460,215	437,215	20,266	19,437
Simonds Family Office Pty Ltd ¹								
Sponsorships	-	-	98,486	-	-	-	-	-
Properties and car park provided	-	-	-	-	123,327	-	-	-
Consulting services	-	-	-	-	227,204	642,762	-	-
	-	-	98,486	50,087	350,531	642,762	-	-
Mark Simonds and related entities:								
Payment for use of building licence	-	-	-	-	363,636	200,000	-	-
Remuneration for employee services	-	-	-	-	77,858	67,887	3,509	-
	-	-	-	-	441,494	267,887	3,509	-
David Denny and related entities:								
Tomlucsar Investments Pty Ltd - Consulting services	-	-	-	-	-	30,000	-	-
Total	627,828	-	586,068	50,087	1,252,240	1,377,864	23,775	19,437

At 30 June 2024, \$227,360 was outstanding by Vallence Gary Simonds and related entities for constructions builds. \$22,215 was payable from the Group to Vallence Gary Simonds and related entities for consulting fee and car parking lease. (2023: Nil)

¹Mark Simonds and Rhett Simonds are directors of Simonds Family Office Pty Ltd.

Loans to related parties

During the year ended 30 June 2024 there were no loans to related parties outside the Group (2023: Nil).

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and disclosed in this note.

27 SHARE BASED PAYMENTS

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Employee share plan

A range of different employee share scheme (ESS) interests were created as part of the Simonds Group Employee Share Plan. The Share plan has been created to promote employee share ownership amongst staff members and to encourage retention and appropriate reward for executives and employees. During the current financial year:

- Share based payments made to key management personal and other employees was nil (2023: \$0.072m).
- As at 30 June 2024, no performance rights/ performance options remaining on issue (2023: 600,000)
- No performance rights / performance options were granted (2023: Nil) during the period.

	30 June 2024	30 June 2023
	\$'000	\$'000
Employee Share Plan		
Share based expense	-	(80)
Total	-	(80)

Movements in performance rights, service rights and options during the year

The following reconciles the cash rights, performance rights and option rights outstanding at the beginning and end of the financial year:

2024	Financial Year Issued	Opening balance	Granted during the year		Vested during the year		Forfeited during the year		Closing balance
		Number of rights	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Total number of rights
Cash Rights									
Tranche 1	FY 2021	600,000	-	-	-	-	600,000	0.2	-
Total		600,000	-	-	-	-	600,000	0.2	-

2023	Financial Year Issued	Opening balance	Granted during the year		Vested during the year		Forfeited during the year		Closing balance
		Number of rights	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Number of rights	Weighted average fair value	Total number of rights
Cash Rights									
Tranche 1	FY 2021	600,000	-	-	-	-	-	-	600,000
Tranche 1	FY 2022	882,353	-	-	-	-	882,353	0.2	-
Total		1,482,353	-	-	-	-	882,353	0.2	600,000

Cash rights outstanding at the end of the current financial year had an exercise price of \$nil (2023: nil).

The weighted average contractual life of cash rights was 736 days (2023: 836).

Performance and service rights vested during the year

No (2023: nil) performance rights and no (2023: nil) options were vested during the year ended 30 June 2024.

Performance and service rights forfeited during the year

There were 600,000 (2023: 882,353) cash rights and no (2023: nil) performance rights forfeited during the year.

28 AUDITOR’S REMUNERATION

	30 June 2024	30 June 2023
	\$	\$
Audit or review of financial statements - Group	330,000	315,000
	330,000	315,000
Other services		
-Tax services	90,000	88,000
Total	420,000	403,000

The Group’s auditor is PKF Melbourne Audit & Assurance Pty Ltd.

29 COMMITMENTS FOR EXPENDITURE

There were nil capital commitments for the Group as at 30 June 2024 (2023: 0.850m)

30 CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts

Reconciliation of profit for the year to net cash flows from operating activities

	30 June 2024	30 June 2023
	\$'000	\$'000
Cash flows from operating activities		
Net profit / (loss) after tax for the year	4,026	(23,333)
Add / (deduct):		
Income tax expense recognised in profit or loss	1,830	(10,484)
Finance costs recognised in profit or loss	2,208	2,254
Gain on disposal of discontinued operation	747	-
Management incentive and share based payments	-	80
Depreciation and amortisation of non-current assets	16,672	20,335
	25,483	(11,148)
Movements in working capital		
(Increase) in trade and other receivables	(14,217)	(1,737)
(Increase) / decrease in inventories	(3,209)	(570)
(Decrease) / increase in other assets	(2,059)	13,880
Increase / (decrease) in trade and other payables	3,197	(1,870)
(Decrease) in provisions	(2,536)	(2,987)
(Decrease) in other liabilities	(1,853)	(7,288)
Net interest paid	(2,208)	(2,254)
Income taxes refund / (paid)	52	9,881
Net cash generated from / (used in) operating activities	2,650	(4,093)

Non-cash transactions

The Group acquired \$7793m of right-of-use assets during the financial ended 30 June 2024. The additions are non-cash and not included within investing activities in the consolidated statement of cash flows.

Changes in liabilities arising from financing activities

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statement as cash flows from financing activities..

		30 June 2023	Financing cash flows	Non-cash changes New leases	30 June 2024
	Notes	\$'000	\$'000	\$'000	\$'000
Other borrowings	19	364	479	-	843
Lease liabilities	33	21,092	(13,309)	7,754	15,537
Total liabilities from financing activities		21,456	(12,830)	7,754	16,380

31 PARENT ENTITY INFORMATION

The parent entity is Simonds Group Limited. The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements

	30 June 2024	30 June 2023
	\$'000	\$'000
Statement of financial position		
Current Assets	46,284	47,367
Non-current Assets	2,351	2,583
Total assets	48,635	49,950
Current Liability	12,893	13,930
Non-current Liability	2,561	2,783
Total liabilities	15,454	16,713
Net assets	33,181	33,237
Issued capital	37,867	37,867
Reserves	(35,048)	(35,048)
Accumulated profit	30,362	30,418
Total equity	33,181	33,237
Income statement		
Dividends from subsidiaries	-	-
Operating (loss) / profit before tax	(79)	(2,042)
Tax refund / (expense)	23	612
(Loss) / profit for the year	(56)	(1,430)

32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities		
Bank guarantees	573	1,309

Litigation

There are a small number of legal matters relating to the construction of residential dwellings and personal injury claims from employees, contractors or the public that are the subject of litigation or potential litigation. A provision is raised in respect of claims where an estimate may be reliably established, and legal or other advice indicates that it is probable that the Group will incur costs either in progressing its investigation of the claim or ultimately in settlement.

Other Contracts

The Group has entered contracts to acquire properties. In the normal course of business, third parties will be assigned to purchase the property, however if no third party can be reassigned, then the Group faces an exposure of \$1.683m (2023: nil)

33 LEASES

The Group leases commercial offices, display homes, display home furniture, IT equipment and motor vehicles. The leases are typically with an option to renew and lease payments are reviewed when approaching the lease expiry date to reflect market rentals.

The Group also leases equipment with contract terms of one to three years. These leases are short-term and/or leases of assets with a value at or below \$10,000. For leases of low value assets and short-term leases the Group has elected not to recognise right-of-use assets and lease liabilities. The lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

Information about leases for which the Group is a lessee is presented below.

Amount recognised in profit or loss

	30 June 2024	30 June 2023
	\$'000	\$'000
Lease under AASB 16		
Interest on lease liabilities	(1,125)	(1,511)
Depreciation expense on right-of-use assets	(12,879)	(14,530)
Expenses relating to short-term leases	(2,844)	(2,867)
Expenses relating to low value assets leases	(158)	(7)
(Loss) on sale and leaseback	(246)	(362)
(Loss) / gain on lease modification and cancellation	(123)	(174)
Total	(17,375)	(19,451)

Commitment for short-term leases and low value assets

The Group has nil commitment to leases classified as short-term and/or low value leases (2023: \$0.032m).

Cashflow on leases

The total cash outflow for leases amounts to \$14.534m (2023: \$19.247m).

Lease liabilities

	30 June 2024	30 June 2023
	\$'000	\$'000
Current	11,082	11,693
Non-current	4,455	9,399
Total	15,537	21,092
Leases expiring less than one year	11,082	11,693
Leases expiring between one and five years	4,455	9,399

Right of Use Assets

	Commercial offices	Display homes	Display home furniture	IT equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
Balance at 1 July 2022	18,916	7,747	4,554	6,282	9,312	46,811
Additions	1,481	5,228	3,454	-	718	10,881
Reallocation	-	-	-	(266)	266	-
Changes in value from lease modification and cancellation	-	(362)	-	-	-	(362)
Disposal of assets	(2,835)	(5,372)	(2,972)	-	(2,898)	(14,077)
Balance at 30 June 2023	17,562	7,241	5,036	6,016	7,398	43,253
Cost						
Balance at 1 July 2023	17,562	7,241	5,036	6,016	7,398	43,253
Additions	1,135	4,489	2,091	-	78	7,793
Changes in value from lease modification and cancellation	-	(241)	-	-	-	(241)
Disposal of assets	(5,180)	(3,706)	(2,233)	-	(1,172)	(12,291)
Balance at 30 June 2024	13,517	7,783	4,894	6,016	6,304	38,514
Accumulated amortisation						
Balance at 1 July 2022	(8,719)	(4,366)	(2,554)	(1,203)	(4,343)	(21,185)
Charge for the year	(4,308)	(4,300)	(2,639)	(1,203)	(2,080)	(14,530)
Changes in value from lease modification and cancellation	-	-	3	-	-	3
Disposal of assets	2,235	5,112	2,736	-	2,348	12,431
Balance 30 June 2023	(10,792)	(3,554)	(2,454)	(2,406)	(4,075)	(23,281)
Accumulated amortisation						
Balance at 1 July 2023	(10,792)	(3,554)	(2,454)	(2,406)	(4,075)	(23,281)
Charge for the year	(3,890)	(3,855)	(2,266)	(1,203)	(1,665)	(12,879)
Changes in value from lease modification and cancellation	-	10	-	-	-	10
Disposal of assets	5,181	3,619	2,177	-	1,118	12,095
Balance 30 June 2024	(9,501)	(3,780)	(2,543)	(3,609)	(4,622)	(24,055)
Carrying amount						
As at 30 June 2023	6,770	3,687	2,582	3,610	3,323	19,972
As at 30 June 2024	4,016	4,003	2,351	2,407	1,682	14,459

31 SUBSEQUENT EVENTS

There are no events that occurred subsequent to the reporting date that may significantly affect Group’s operations, results or state of affairs in future period.

Consolidated entity disclosure statement

As at 30 June 2024

Entity Name	Entity Type	Body corporates		Tax residency
		Place formed or incorporated	% of share capital held	Australian or foreign
Simonds Homes Victoria Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Homes NSW Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Queensland Constructions Pty Ltd	Body corporate	Australia	100%	Australian
Simonds SA Pty Ltd	Body corporate	Australia	100%	Australian
Simonds WA Pty Ltd	Body corporate	Australia	100%	Australian
Madisson Homes Australia Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Personnel Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Assets Pty Ltd	Body corporate	Australia	100%	Australian
Simonds IP Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Corporate Pty Ltd	Body corporate	Australia	100%	Australian
Jackass Flat Developments Pty Ltd	Body corporate	Australia	100%	Australian
Simonds Land Development Pty Ltd	Body corporate	Australia	100%	Australian
Bridgeman Downs Land Project Pty Ltd	Body corporate	Australia	100%	Australian
Discover Developments Pty Ltd	Body corporate	Australia	100%	Australian
Discover Gisborne Pty Ltd	Body corporate	Australia	100%	Australian

Shareholder Information

How
Australia
Homes

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 31 August 2024 (Reporting Date).

Corporate governance statement

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company. In accordance with ASX Listing Rule 4.10.3, the Corporate Governance Statement will be available on Simonds website www.simondsgroup.com.au and will be lodged with ASX at the same time that this Annual Report is lodged with ASX.

Distribution of equity securities

The distribution and number of holders of equity securities on issue in the Company as at the Reporting Date, and the number of holders holding less than a marketable parcel of the Company's ordinary shares, based on the closing market price as at the Reporting Date, is as follows:

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Class of equity security							
Ordinary shares				Performance rights		Performance options	
Holding	Holders	No. of shares	%	Holders	No. of performance options	Holders	No. of performance options
1 - 1,000	520	205,620	0.06%	-	-	-	-
1,001 - 5,000	95	258,103	0.07%	-	-	-	-
5,001 - 10,000	39	296,427	0.08%	-	-	-	-
10,001 - 100,000	137	4,959,100	1.38%	-	-	-	-
100,001 and over	53	354,187,200	98.41%	-	-	-	-
Total	844	359,906,450	100%	-	-	-	-

There were 570 holders of less than a marketable parcel of ordinary shares (\$500).

Twenty largest quoted equity security holders

The Company only has one class of quoted securities, being ordinary shares. The names of the twenty largest holders of ordinary shares, the number of ordinary shares and the percentage of capital held by each holder is as follows:

Name	Number held	Percentage of issued shares
Simonds Asset Management Pty Ltd	197,477,655	54.869%
Simonds Construction Pty Ltd	24,365,018	6.770%
FJP Pty Ltd	20,370,660	5.660%
Simonds Custodians Pty Ltd	16,400,010	4.557%
McDonald Jones Homes Pty Ltd	14,788,392	4.109%
McDonald Jones Homes Investments Pty Ltd	14,630,067	4.065%
Simonds Custodians Pty Ltd	9,840,006	2.734%
McDonald Jones Homes Investments Pty Ltd	9,580,908	2.662%
Simonds Corporation Pty Ltd	6,933,621	1.927%
Simonds Custodians Pty Ltd	6,560,004	1.823%
Moat Investments Pty Ltd	6,314,560	0.744%
Bronze Drum Pty Ltd	2,678,173	0.665%
Pool Pty Ltd	2,395,000	0.590%
Mast Financial Pty Ltd	2,023,950	0.562%
Kelvin Ryan	1,648,412	0.458%
Madisson Constructions Pty Ltd	1,572,678	0.437%
Dr Howard Vincent Bertram & Dr Gijsberdina Bertram	1,467,145	0.408%
Gliocas Investments Pty Ltd	1,435,036	0.399%
Simonds Constructions Pty Ltd	1,382,683	0.384%
Mr Kim Bee Tan & Mrs Verna Suat Wah Tan	1,000,000	0.278%
Total Securities of Top 20 Holdings	342,863,978	95.265%
Other shareholders	17,042,472	4.735%
Total shareholders	359,906,450	100.00%

Substantial shareholders

As at the Reporting Date, the names of the substantial holders of Simonds and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to Simonds, are as follows:

Name	Number held	Percentage of issued shares
Vallence Gary Simonds	263,948,973	73.34%
McDonald Jones Homes Pty Ltd	38,999,367	10.84%
F.J.P. Pty Ltd	20,370,660	5.66%

Voting rights

The voting rights attaching to each class of equity security are set out as follows:

Ordinary Shares

At a general meeting of Simonds, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each ordinary share held.

Performance Rights.

Performance rights do not carry any voting rights.

Performance Options

Performance options do not carry any voting rights.

Unquoted equity securities

There are no unlisted securities on issue. There are no people who hold 20% or more performance rights or performance options that were not issued or acquired under an employee incentive scheme.

On-market buy-back

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

Corporate Directory

Directors:

Rhett Simonds
(Executive Chair)

Richard Grellman
(Independent, Non-Executive Director)

Piers O'Brien
(Non-Executive Director)

Mark Simonds
(Executive Director)

Andrew Bloore
(Non-Executive Director)

David Denny
(Independent, Non-Executive Director)

Company Secretary:
Amanda Jones

Notice of annual general meeting

The details of the annual general meeting of Simonds Group Limited are:

Date: 13 November 2024

Time: 11.00am (AEDT)

Venue: PKF, Level 15, 500 Bourke Street
Melbourne Victoria 3000

Registered office: Level 4, 570 St Kilda Road
Melbourne, VIC 3004

Postal Address: Level 1, 570 St Kilda Road
Melbourne, VIC 3004

Telephone: +61 3 9682 0700

ABN: 54 143 841 801

Email: company.secretary@simonds.com.au

Share register

Boardroom Pty Ltd
Level 8, 210 George Street
Sydney, NSW 2000

Postal Address: GPO Box 3993 Sydney, NSW 2001

Telephone: 1300 737 760

International: +61 2 9290 9600

Email: simonds@boardroomlimited.com.au

Auditor: PKF, Level 15, 500 Bourke Street
Melbourne Victoria 3000

Stock exchange listing: Simonds Group Limited
shares are listed on the Australian Securities Exchange
(ASX code: SIO)

Corporate website:
simondsgroup.com.au



