

Consolidated Symal Group

**(comprising Symal Infrastructure Pty Ltd and
its consolidated entities and Symal Group Pty
Ltd and its consolidated entities)**

Stapled Financial report

For the year ended 30 June 2024

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CONSOLIDATED SYMAL GROUP

DIRECTORS' REPORT

The Directors' present their report together with the financial report of the Consolidated Stapled Symal Group for the year ended 30 June 2024. The Consolidated Symal Group (the 'Group' or the 'Stapled Group') is a stapled group comprising Symal Infrastructure Pty Ltd (the 'Company' or the 'Parent') and Symal Group Pty Ltd and their controlled entities. Although separate entities, the shares in these entities are 'stapled' together under the terms of the shareholder agreement.

The consolidated financial statements for the year ended 30 June 2024 were authorised for re-issue in accordance with a resolution of the directors on 11 October 2024.

Directors names

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

Joseph Bartolo

Andrew Fairbairn

Raymond Dando

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

Results

The profit of the Group for the year after providing for income tax and excluding non-controlling interests profits amounted to \$30,259,424 (2023: \$7,319,767).

The profit of the Group for the year after providing for income tax amounted to \$35,209,746 (2023: \$10,984,792).

Review of operations

The Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

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

Principal activities

The principal activity of the Group during the year was civil construction.

No significant change in the nature of these activities occurred during the year.

CONSOLIDATED SYMAL GROUP

DIRECTORS' REPORT

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments

The Group expects to maintain the present status and level of operations.

Environmental regulation

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

Dividends paid or declared since the start of the financial year are as follows:

	2024		2023	
	Per share	Amount	Per share	Amount
Symal Infrastructure Pty Ltd				
- Interim	\$66,536	\$5,322,900	\$17,900	\$1,432,000
- Final	NIL	NIL	\$35,153	\$2,812,200
Symal Group Pty Ltd				
- Interim	NIL	NIL	NIL	NIL
- Final	NIL	NIL	\$138,750	\$11,100,000
Unyte Group Holdings Pty Ltd (paid to non-controlling interests)				
- Interim	NIL	NIL	NIL	NIL
- Final	NIL	NIL	\$70,000	\$700,000
Symal Contractors Pty Ltd (paid to non-controlling interests)				
- Interim	NIL	NIL	NIL	NIL
- Final	NIL	NIL	\$60,000	\$1,200,000

All dividends declared were fully franked at 30%.

Options

No options over unissued shares or interests in the Group were granted during or since the end of the year and there were no options outstanding at the end of the year.

CONSOLIDATED SYMAL GROUP

DIRECTORS' REPORT

Indemnification of officers and directors

During or since the end of the year, the Group has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the Directors' of the Group.

Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

Indemnification of auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Auditor's independence declaration

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

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Signed on behalf of the Board of Directors.

Director: _____
Joseph Bartolo

Director: _____
Andrew Fairbairn

Dated this day of October 2024

CONSOLIDATED SYMAL GROUP

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SYMAL INFRASTRUCTURE PTY LTD

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CONSOLIDATED SYMAL GROUP

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Revenue and other income			
Revenue from contracts with customers	4	743,073,809	686,222,189
Other revenue	5	<u>14,169,931</u>	<u>4,210,035</u>
		<u>757,243,740</u>	<u>690,432,224</u>
Less: expenses			
Materials and consumables used	6	(589,544,599)	(576,276,225)
Depreciation and amortisation expense	6	(34,385,291)	(30,445,166)
Employee benefits expense	6	(44,833,292)	(41,458,291)
Finance costs	6	(5,736,473)	(4,134,251)
Other expenses		<u>(30,721,099)</u>	<u>(21,508,855)</u>
		<u>(705,220,754)</u>	<u>(673,822,788)</u>
Share of net profits / (losses) from joint ventures accounted for using the equity method	18	<u>(1,268,261)</u>	<u>160,383</u>
Profit before income tax expense		50,754,725	16,769,819
Income tax expense	10	<u>(15,544,979)</u>	<u>(5,179,036)</u>
Profit from continuing operations		<u>35,209,746</u>	<u>11,590,783</u>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Revaluation of property, plant and equipment, net of tax		<u>-</u>	<u>(605,991)</u>
Total comprehensive income		<u>35,209,746</u>	<u>10,984,792</u>
Profit is attributable to:			
- Owners of Symal Infrastructure Pty Ltd		18,568,897	22,599
- Non-controlling interests		4,950,322	4,271,016
- Owners of other stapled group members		<u>11,690,527</u>	<u>7,297,168</u>
		<u>35,209,746</u>	<u>11,590,783</u>
Total comprehensive income is attributable to:			
- Owners of Symal Infrastructure Pty Ltd		18,568,897	22,599
- Non-controlling interests		4,950,322	4,230,625
- Owners of other stapled group members		<u>11,690,527</u>	<u>6,731,568</u>
		<u>35,209,746</u>	<u>10,984,792</u>
Earnings per security attributable to securityholders of the stapled Group	9		
- Basic earnings per security (dollars)		\$189,121	\$45,748
- Diluted earnings per security (dollars)		\$189,121	\$45,748

The accompanying notes form part of these financial statements.

CONSOLIDATED SYMAL GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 \$	30 June 2023 \$	1 July 2022 \$
Current assets				
Cash and cash equivalents	11	87,703,022	80,542,826	39,336,945
Receivables	12	139,428,930	132,743,378	110,686,208
Inventories	13	213,418	-	-
Contract assets	14	16,045,997	18,749,255	14,322,796
Other assets	15	<u>3,076,181</u>	<u>2,239,438</u>	<u>1,862,988</u>
Total current assets		<u>246,467,548</u>	<u>234,274,897</u>	<u>166,208,937</u>
Non-current assets				
Other financial assets		-	-	1,893,780
Other assets	15	65,280	186,424	65,994
Investments accounted for using equity method	16	-	1,268,261	1,107,878
Intangible assets	17	169,467	169,467	169,467
Deferred tax assets	10	2,108,854	-	-
Lease assets	19	8,465,405	4,540,088	5,048,328
Property, plant and equipment	20	<u>105,095,634</u>	<u>98,554,705</u>	<u>98,391,835</u>
Total non-current assets		<u>115,904,640</u>	<u>104,718,945</u>	<u>106,677,282</u>
Total assets		<u>362,372,188</u>	<u>338,993,842</u>	<u>272,886,219</u>
Current liabilities				
Current tax liabilities	10	15,744,641	3,503,554	3,778,709
Payables	21	100,154,892	131,645,268	109,318,198
Lease liabilities	19	1,360,041	1,379,471	1,355,364
Borrowings	22	29,805,026	21,188,053	38,854,926
Provisions	23	14,419,590	10,336,471	14,500,678
Other liabilities	24	<u>47,732,001</u>	<u>55,151,750</u>	<u>16,009,213</u>
Total current liabilities		<u>209,216,191</u>	<u>223,204,567</u>	<u>183,817,088</u>
Non-current liabilities				
Lease liabilities	19	7,356,056	3,534,042	4,068,060
Borrowings	22	61,777,517	52,129,613	12,853,032
Provisions	23	1,079,271	658,733	854,218
Deferred tax liabilities	10	<u>-</u>	<u>6,410,580</u>	<u>10,818,506</u>
Total non-current liabilities		<u>70,212,844</u>	<u>62,732,968</u>	<u>28,593,816</u>
Total liabilities		<u>279,429,035</u>	<u>285,937,535</u>	<u>212,410,904</u>
Net assets		<u>82,943,153</u>	<u>53,056,307</u>	<u>60,475,315</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED SYMAL GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 \$	30 June 2023 \$	1 July 2022 \$
Equity				
Share capital	26	160	160	160
Reserves	27	4,994,030	9,207,041	16,391,495
Retained earnings	28	<u>68,554,089</u>	<u>39,404,554</u>	<u>41,969,743</u>
Equity attributable to owners of Consolidated Symal Group		73,548,279	48,611,755	58,361,398
Non-controlling interests	30	<u>9,394,874</u>	<u>4,444,552</u>	<u>2,113,917</u>
Total equity		<u><u>82,943,153</u></u>	<u><u>53,056,307</u></u>	<u><u>60,475,315</u></u>

The accompanying notes form part of these financial statements.

CONSOLIDATED SYMAL GROUP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Contributed equity \$	Reserves \$	Retained earnings \$	Non- controlling interests \$	Total equity \$
Balance as at 1 July 2022	160	16,391,495	41,969,743	2,113,917	60,475,315
Profit for the year	-	-	7,319,767	4,271,016	11,590,783
Other comprehensive income / (loss) for the year	-	(565,600)	-	(40,391)	(605,991)
Total comprehensive income for the year	-	(565,600)	7,319,767	4,230,625	10,984,792
Transfers	-	(5,459,244)	5,459,244	-	-
Transactions with owners in their capacity as owners:					
Dividends	-	-	(15,344,200)	(1,900,000)	(17,244,200)
Transactions with non- controlling interests	-	(1,159,610)	-	10	(1,159,600)
Total transactions with owners in their capacity as owners	-	(1,159,610)	(15,344,200)	(1,899,990)	(18,403,800)
Balance as at 30 June 2023	<u>160</u>	<u>9,207,041</u>	<u>39,404,554</u>	<u>4,444,552</u>	<u>53,056,307</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED SYMAL GROUP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Contributed equity \$	Reserves \$	Retained earnings \$	Non- controlling interests \$	Total equity \$
Balance as at 1 July 2023	160	9,207,041	39,404,554	4,444,552	53,056,307
Profit for the year	-	-	30,259,424	4,950,322	35,209,746
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>30,259,424</u>	<u>4,950,322</u>	<u>35,209,746</u>
Transfers	-	(4,213,011)	4,213,011	-	-
Transactions with owners in their capacity as owners:					
Dividends	<u>-</u>	<u>-</u>	<u>(5,322,900)</u>	<u>-</u>	<u>(5,322,900)</u>
Total transactions with owners in their capacity as owners	<u>-</u>	<u>-</u>	<u>(5,322,900)</u>	<u>-</u>	<u>(5,322,900)</u>
Balance as at 30 June 2024	<u>160</u>	<u>4,994,030</u>	<u>68,554,089</u>	<u>9,394,874</u>	<u>82,943,153</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED SYMAL GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Cash flow from operating activities			
Receipts from customers		821,447,002	775,681,443
Payments to suppliers and others		(749,052,849)	(702,314,242)
Interest received		2,478,737	996,007
Finance costs		(5,736,473)	(4,134,251)
Income tax paid		<u>(12,062,589)</u>	<u>(9,462,730)</u>
Net cash provided by operating activities	34(b)	<u>57,073,828</u>	<u>60,766,227</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		5,948,378	21,708,969
Payment for property, plant and equipment		<u>(3,914,808)</u>	<u>(732,595)</u>
Net cash provided by investing activities		<u>2,033,570</u>	<u>20,976,374</u>
Cash flow from financing activities			
Repayments from related parties		8,184,949	9,407,644
Payments to related parties		(19,900,078)	(12,739,635)
Repayment of borrowings		(32,998,645)	(29,596,290)
Principal portion of lease payments		(1,910,528)	(1,464,239)
Dividends paid		(5,322,900)	(4,244,200)
Dividends paid to non-controlling interests		<u>-</u>	<u>(1,900,000)</u>
Net cash (used in) financing activities		<u>(51,947,202)</u>	<u>(40,536,720)</u>
Reconciliation of cash			
Cash at beginning of the financial year		80,542,826	39,336,945
Net increase in cash held		<u>7,160,196</u>	<u>41,205,881</u>
Cash at end of financial year	34(a)	<u>87,703,022</u>	<u>80,542,826</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION

General information

The financial report is a general purpose financial report for a "for-profit" entity, which has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial statements also comply with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial report covers the stapled Consolidated Symal Group ("the Group") comprising of Symal Infrastructure Pty Ltd (the 'Company' or the 'Parent') and its controlled entities, and Symal Group Pty Ltd and its controlled entities. The Group are Companies limited by shares, incorporated and domiciled in Australia. The Group is a for-profit group for the purpose of preparing the financial statements.

The financial statements were authorised for re-issue in accordance with a resolution of the directors on 11th October 2024. Other information in the Company's Directors' Report has also been revised and re-issued. The Directors have the power to amend and re-issue the financial statements.

First-time compliance with IFRS

These financial statements, for the year ended 30 June 2024, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 30 June 2023, the Stapled Group entities prepared their individual financial statements in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

As a consequence, the Group is applying AASB 1 in the preparation of these financial statements and is required to include three Consolidated Statement of Financial Positions. Only two of each of the other statements is required. No exemptions were applied nor did any of the other exceptions in IFRS 1 and AASB 1 apply to the Group. No differences in previously reported amounts were identified in the transition from AASB 1060 to AASB 1.

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 30 June 2024, together with the comparative period information for the year ended 30 June 2023, as described in the summary of material accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 July 2022, the Group's date of transition to IFRS.

A stapling arrangement exists in the Shareholders Deed between Symal Group Pty Ltd and Symal Infrastructure Pty Ltd, meaning that at all times the securities in each company must be held by the same shareholders in the same proportion as the holdings of securities in each other Company. For IFRS compliance for 30 June 2024 financial statements the Group has prepared consolidated financial statements. For financial reporting purposes, Symal Infrastructure Pty Ltd has been identified as the parent entity of the Stapled Group.

Historical Cost Convention

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

Significant accounting estimates and judgements

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

New and revised accounting standards effective at 30 June 2024

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current year. There has been no material effect.

Summary of Material Accounting policies

The following accounting policies have been applied in the preparation and presentation of the financial report.

(a) Going concern

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

(b) Principles of consolidation

The consolidated financial statements comprise the assets and liabilities of all controlled entities as at 30 June 2024 and the results of all controlled entities for the financial year unless otherwise stated. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist. The Group's consolidated financial statements are presented in AUD, which is also the parent company's functional currency.

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

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(c) Revenue from contracts with customers

The Group derives revenue from construction contracts with customers. A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Revenue from construction contracts is recognised over time, as the services are provided to the customer, based on costs incurred for work performed to date as a percentage of total estimated costs under the contract. Recognising revenue on the basis of costs incurred is considered an appropriate method of recognising revenue as it is consistent with the manner in which services are provided to the customer. Revenue is generally billed monthly as services are provided.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

All expected loss projects are recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

Variable consideration

The transaction price is normally fixed at the start of the project. It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. 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, 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 modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

In accordance with AASB 15, revenue is recognised when it is highly probable that a significant reversal of revenue will not occur.

Financing components

The Group does not expect to 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.

Receivables from contracts with customers

A receivable from a contract with a customer represents the Group’s unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due).

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

Warranties and defect periods

Generally, construction and services contracts include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and are therefore estimated and included in the total costs of the contracts. Where required, amounts are recognised accordingly in line with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*.

Equipment and labour hire revenue

The Group derives revenue from the provision of equipment and labour hire services. Revenue is recognised over time, as, or when the relevant services are transferred to the customer and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services. Revenue is generally billed monthly as hire services are provided and payment is generally due upon completion of the provision of the relevant services.

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

(d) Other revenue and other income

Dividend and other distributions

Dividend and other distribution revenue is recognised when the right to receive a dividend or other distribution has been established. Dividends and other distributions received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Interest

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

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

(e) Income tax

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

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

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(e) Income tax (Continued)

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax Consolidation

The Parent and its wholly owned subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group on 1 July 2022. This means that:

- each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity.
- the parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

Symal Group Pty Ltd and its wholly owned subsidiaries have also implemented the tax consolidation legislation and have formed a tax-consolidated group on 1 July 2018, with the same policy adopted.

The tax-consolidated groups also have tax sharing agreements in place to limit the liability of subsidiaries in the tax-consolidated groups, arising under the joint and several liability provisions of the tax consolidation system, in the event of default by the parent entity or Symal Group Pty Ltd to meet their respective payment obligations.

(f) Cash and cash equivalents

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(g) Construction contracts work in progress and deferred income

Construction work in progress

Construction work in progress represents the company's right to consideration (not being an unconditional right recognised as a receivable) in exchange for goods and services transferred to the customer. Construction work in progress is measured at the amount of consideration that the company expects to be entitled in exchange for goods or services transferred to the customer.

Construction deferred income

Construction deferred income represents the company's obligation to transfer goods or services to the customer for which the company has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as construction deferred income are subsequently recognised as revenue when the company transfers the contracted goods or services to the customer.

(h) Financial instruments

Initial recognition and measurement

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

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

Classification of financial assets

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

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

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Trade and other receivables

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

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(h) Financial instruments (Continued)

Retention receivables

Retentions receivables arise from the Group's transactions with its customers and are normally settled upon practical completion of a project.

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

Impairment of financial assets

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

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

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

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group considers a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(h) Financial instruments (Continued)

The Group determines expected credit losses based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the Group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the Group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(i) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment and motor vehicles

Plant and equipment and motor vehicles are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same asset previously recognised in the profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

Leasehold improvements, computer equipment and furniture, fixture and fittings

Leasehold improvements, computer equipment and furniture, fixture and fittings is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	20 - 66%	Straight line
Plant and equipment at fair value	7.5% - 40%	Diminishing value / Straight line
Motor vehicles at fair value	10% - 33%	Diminishing value / Straight line
Furniture, fixtures and fittings at cost	10 - 50%	Diminishing value
Computer equipment at cost	10 - 33%	Diminishing value

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(j) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about the relevant activities are required. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The interests in joint operations are accounted for such that each joint operator recognises in its financial statements its share of assets, liabilities, revenue and expenses of the joint operation in accordance with applicable Accounting Standards.

Joint ventures

The Group's interest in joint ventures are accounted for using the equity method after initially being recognised at cost. Under the equity method, the Group's share of the profits or losses of the joint venture are recognised in the Group's profit or loss and the Group's share of the joint venture's other comprehensive income is recognised in the Group's other comprehensive income.

Unrealised gains and losses on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest in the joint venture.

Details relating to the joint operations and joint ventures are set out in note 18.

(k) Provisions

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

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

Onerous contracts

An onerous contract provision is recognised in respect of a project when, for the specific project, forecast final costs exceed forecast final revenue. The provision is equal to the forecast final loss expected to be incurred less the loss incurred to date based on percentage of completion (measured by reference of total costs incurred to date as a percentage of estimated total costs).

The onerous contract provision is classified as current or non-current having regard to its estimated utilisation within 12 months after the reporting date, with reference to project productivity and associated costs during this period.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(I) Leases

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

The Group has lease contracts pertaining to operating premises for which right of use assets have been recognised, including lease terms of 1 to 10 years. The Group's accounting policy for recognition of leases is detailed below. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require maintenance of certain financial ratios.

Lease assets

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

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

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

Lease liabilities

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

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

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

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

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(m) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Long-term employee benefit obligations

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

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

(n) Borrowing costs

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

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(o) Goods and services tax (GST)

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

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

(p) Intangible assets

Goodwill

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

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

Separately acquired intangible assets - Branding and trademarks

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(q) Fair value measurement

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

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

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

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(r) Impairment of non-financial assets

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

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

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

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

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

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: BASIS OF PREPARATION (CONTINUED)

(s) Business combinations

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

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

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

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

Acquisition related costs are expensed as incurred.

Business combinations arising from acquisitions and disposals of entities that are under the control of the parent entity are accounted for at the date of the transfer as a transaction under common control. The assets and liabilities acquired are recognised at the carrying amounts recorded by the previous owner immediately prior to the acquisition date. The components of equity of the acquired entities are added to the same equity components of the consolidated entity's equity. Any gains or losses arising on the disposals to the entities for businesses under common control of the ultimate parent entity are recognised through profit and loss and subsequently transferred to equity reserves as a component of equity.

(t) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures. Impact of prior year reclassifications and repositioning assessed as not material to the financial statements.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The below outlines the major judgements made by management in applying the Group's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

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

(a) Accounting for construction contracts

Accounting for construction contracts involves the continuous use of prudently assessed estimates based on a number of detailed assumptions consistent with the project scope and schedule, and contract and risk management processes. These contracts may span several accounting periods, requiring estimates and assumptions to be updated on a regular basis. Details of the estimation procedures followed in accounting for the consolidated entity's construction contracts are shown below:

Forecast costs at completion

The estimates of the forecast costs at completion of all construction contracts are regularly updated in accordance with the agreed work scope and schedule under the respective contracts. Forecast costs are based on costs and rates expected to apply when the related activity is expected to be undertaken.

Construction contracts undertaken by the consolidated entity may, at times, require additional cost that is outside the original cost estimates. Risk contingencies are included in the forecast costs to completion in order to cover such risks inherent in these estimates. Further, additional work and effort can result in negotiations with customers as to who is liable for related costs to the extent that the additional work is considered to be outside the original contract scope of works. Any additional contractual obligations, including liquidated damages, are also assessed to the extent that these are due and payable under the contract recognising the contractual status from the consolidated entity's and client's viewpoints.

A provision for loss making (onerous) contracts is recognised to the extent that the expected costs of fulfilling a contract exceed the economic benefits expected to be received in respect of the contract.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Revenues

Revenues reflect the contract price agreed and approved by the parties and variations when the amount becomes highly probable. Claims are included in contract revenue only when there exists an enforceable right between the parties and the amount becomes highly probable. There are a number of factors considered in assessing whether an enforceable right between the parties is deemed to exist. These include:

- negotiations with the contracting party or parties;
- historical results of previous negotiations by the consolidated entity;
- evidence included in the contract or other objective evidence such as legal opinions that provide a legal basis of entitlement; and
- additional costs that can be identified and are considered as unforeseen at the contract date and for which entitlement contractually exists.

Contract claims and disputes

Certain claims arising out of construction contracts maybe made by or against the consolidated entity in the ordinary course of business, some of which may involve litigation or arbitration.

Estimates and assumptions regarding the likely outcome of these claims are made and these have been recognised in the carrying value of assets and liabilities recorded in the financial report. In making these estimates and assumptions, legal opinions have been obtained as appropriate. Although the Directors do not consider that the outcome of these claims will have a material adverse effect on the financial position of the consolidated entity, there remains uncertainty until the final outcome of any litigation or arbitration is determined.

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

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

(c) Income tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(d) Classification of joint arrangements

There is judgement involved in the determination of the classification of joint arrangements. The determination of a joint arrangement is driven by the rights and obligation of the parties arising from the arrangement. Where the right to assets and obligation for liabilities of the arrangement is established, the joint arrangement has been classified as a joint operation.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Revaluation and estimate of useful lives of property, plant and equipment

Assessing fair value as at the reporting date involves uncertainties around the underlying assumptions. The values adopted within this report have been determined during a period of significant market fluctuation and uncertainty caused by the COVID-19 event. The impact these fluctuations, and any future fluctuations, will have on asset value is not clearly known and cannot be predicted in the short term. The values have been applied based on available current data and taking into considerations all facts known at balance date. These values may fluctuate significantly in the short, medium and long term.

The Group also assesses the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of actual and expected use of assets as part of the operations of the Group. The assets useful lives are adjusted if appropriate or necessary.

NOTE 3: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right

That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements

Issuance of AASB 18

AASB 18 Presentation and Disclosures in Financial Statements was issued by the IASB in April 2024. It is effective on January 1, 2027, and is required to be applied retrospectively to comparative periods presented, with early adoption permitted. Upon adoption, it replaces AASB 101 *Presentation of Financial Statements*. It sets out new requirements focused on improving financial reporting by:

- requiring additional defined structure to the statement of profit or loss (i.e. consolidated statement of income), to reduce diversity in the reporting, by requiring five categories (operating, investing, financing, income taxes and discontinued operations) and defined subtotals and totals (operating income, income before financing, income taxes and net income),
- requiring disclosures in the notes to the financial statements about management-defined performance measures (i.e. non-IFRS measures), and
- adding new principles for aggregation and disaggregation of information in the primary financial statements and notes.

It will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss', due to the classification of certain income and expense items between the five categories of the consolidated income statement. It might also change what an entity reports as operating activities, investing activities and financing activities within the statement of cash flows, due to the change in classification of certain cash flow items between these three categories of the cash flows statement. The Group is currently assessing the impact of adopting AASB 18.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers		
Construction contract revenue	710,204,850	653,316,985
Equipment and labour hire revenue	<u>32,868,959</u>	<u>32,905,204</u>
	<u>743,073,809</u>	<u>686,222,189</u>

Revenue by timing of transfer of goods or services to customers

All revenue from contracts with customers is recognised over time.

The performance obligation is satisfied over time and payment is generally due in line with costs incurred to deliver the construction contract. Advance payments occur in some contracts which are recognised as deferred income in the balance sheet. The breakdown of revenue from contracts with customers is provided in Note 7: Segment Reporting.

NOTE 5: OTHER REVENUE

Other revenue		
Dividend income	-	49,000
Interest income	2,478,737	996,007
Fuel tax rebates	2,331,769	1,320,468
Other income	<u>9,359,425</u>	<u>1,844,560</u>
	<u>14,169,931</u>	<u>4,210,035</u>

NOTE 6: OPERATING PROFIT

Profit before income tax has been determined after:

Cost of sales		
- Materials and consumables	95,101,628	99,441,325
- Subcontractor costs	228,171,602	261,374,528
- Direct labour costs	187,429,838	126,648,723
- Plant costs	59,827,937	72,993,737
- Other	<u>19,013,594</u>	<u>15,817,912</u>
	589,544,599	576,276,225
Finance costs		
- AASB 16 lease liability interest	424,821	214,704
- Borrowing costs	<u>5,311,652</u>	<u>3,919,547</u>
	5,736,473	4,134,251
Depreciation	34,249,952	30,415,075
Amortisation	135,339	30,091
Employee benefits	44,833,292	41,458,291
Loss on disposal of non-current assets	3,527,147	442,351

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
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NOTE 7: SEGMENT REPORTING

Operating segments have been identified based on discrete financial information that is regularly reviewed by the Group Chief Executive Officer (Group CEO), who is also the chief operating decision maker (CODM). The identification of operating segments is based on the nature of services provided.

Segment performance is evaluated on Earnings (including interest income) before interest expense, Tax, Depreciation, and Amortisation (EBITDA), which is a non-IFRS measure. EBITDA is calculated as statutory net profit adjusted for interest expense, tax, depreciation and amortisation. The measure is reported to the CODM via the monthly Group General Manager reports to aid decision making around resource allocation and operational performance.

The Group does not have revenue from transactions with a single external customer for amounts equal to or greater than 10% of total revenue.

The Group operates in the following operating segments under AASB 8 Operating Segments:

- **Major Infrastructure** – delivers civil construction projects in a variety of sectors including public infrastructure, building and construction, roads and bridges, inland and marine ports, airports, energy and defence. The segment primarily delivers as a head contractor under a variety of contract models including cost reimbursable, alliance, lump sum, design and construct and incentivised target cost.
- **Construction Services** – Provides a range of civil construction support services including disaster recovery, construction site preparation works, high performance sports and recreation facilities, concrete works, kerb and channel works, drainage and plumbing services for external contractors, private clients and public clients.
- **Asset Management** – supports external clients with construction crews including supervision and project management support as well as wet or dry hire plant, in a variety of sectors including energy, subdivisions, council contracts and utility services. The segment also operates internal quarries including material sales and supports quarry operations for external clients.
- **Plant, People and Logistics** – provides asset management services, internal plant and logistics services and deploys labour within the Group. Procures and deploys subcontract plant and labour hire for deployment into Group projects. Procures and deploys miscellaneous materials and consumables within the group.
- **Other** – an aggregation of other Group services that are not reported separately and are not considered operating segments.

CONSOLIDATED SYMAL GROUP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

2024	Major Infrastructure	Construction Services	Asset Management	Plant, People and Logistics	Other, Corporate and Eliminations	Consolidated
	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	479,981,571	161,013,568	82,607,494	2,058,548	17,412,628	743,073,809
Other income	5,990,576	2,021,852	1,956,368	6,589	4,194,546	14,169,931
Intersegment revenue	<u>12,515</u>	<u>8,821,828</u>	<u>3,759,078</u>	<u>19,883,771</u>	<u>(32,477,192)</u>	<u>-</u>
Total revenue	<u>485,984,662</u>	<u>171,857,248</u>	<u>88,322,940</u>	<u>21,948,908</u>	<u>(10,870,018)</u>	<u>757,243,740</u>
EBITDA	29,909,090	34,558,735	12,913,592	20,897,506	(6,134,173)	92,144,750
Depreciation and amortisation	(1,881,828)	(59,566)	(8,875,440)	(18,496,813)	(5,071,644)	(34,385,291)
Interest expense	<u>(425,758)</u>	<u>(71,105)</u>	<u>(1,792,823)</u>	<u>(3,076,509)</u>	<u>(1,638,539)</u>	<u>(7,004,734)</u>
Profit before income tax expense	<u>27,601,504</u>	<u>34,428,064</u>	<u>2,245,329</u>	<u>(675,816)</u>	<u>(12,844,356)</u>	<u>50,754,725</u>
Total assets	159,127,770	93,662,585	80,798,100	69,089,843	(40,306,110)	362,372,188

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

		Major Infrastructure	Construction Services	Asset Management	Plant, People and Logistics	Other, Corporate and Eliminations	Consolidated
	2023	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers		420,645,683	136,717,721	74,712,824	3,891,908	50,254,053	686,222,189
Other income		1,523,769	197,376	992,476	(352,875)	1,849,289	4,210,035
Intersegment revenue		<u>3,636,378</u>	<u>18,187,066</u>	<u>3,431,724</u>	<u>24,657,315</u>	<u>(49,912,483)</u>	<u>-</u>
Total revenue		<u>425,805,830</u>	<u>155,102,163</u>	<u>79,137,024</u>	<u>28,196,348</u>	<u>2,190,859</u>	<u>690,432,224</u>
EBITDA		6,188,849	25,500,227	16,271,694	17,575,013	(14,346,930)	51,188,853
Depreciation and amortisation		(3,307,661)	(54,494)	(5,894,287)	(17,051,778)	(4,136,946)	(30,445,166)
Interest expense		<u>(698,038)</u>	<u>(46,217)</u>	<u>(637,878)</u>	<u>(2,624,451)</u>	<u>32,716</u>	<u>(3,973,868)</u>
Profit before income tax expense		<u>2,183,150</u>	<u>25,399,516</u>	<u>9,739,529</u>	<u>(2,101,216)</u>	<u>(18,451,160)</u>	<u>16,769,819</u>
Total assets		172,464,191	71,982,514	59,593,877	68,428,122	(33,474,862)	338,993,842

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: FAIR VALUE MEASUREMENT

(a) Fair Value Hierarchy

The following table provides the fair value classification of those assets and liabilities held by the group that are measured either on a recurring or non-recurring basis at fair value.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2024				
Recurring fair value measurements				
<i>Non-financial assets</i>				
<i>Revalued property, plant and equipment</i>				
Plant and equipment	-	-	80,359,043	80,359,043
Motor vehicles	-	-	<u>19,115,466</u>	<u>19,115,466</u>
Total non-financial assets	<u>-</u>	<u>-</u>	<u>99,474,509</u>	<u>99,474,509</u>
2023				
Recurring fair value measurements				
<i>Non-financial assets</i>				
<i>Revalued property, plant and equipment</i>				
Plant and equipment	-	-	76,303,433	76,303,433
Motor vehicles	-	-	<u>18,003,394</u>	<u>18,003,394</u>
Total non-financial assets	<u>-</u>	<u>-</u>	<u>94,306,827</u>	<u>94,306,827</u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: FAIR VALUE MEASUREMENT (CONTINUED)

(b) Valuation techniques, significant unobservable inputs used in level 3 fair value measurements and the relation of unobservable inputs to fair value

	Fair value \$	Valuation technique	Description of valuation technique and inputs used	Significant unobservable inputs and range	Relation of unobservable inputs to fair value
2024					
Fair value measurements					
Non-financial assets					
<i>Revalued property, plant and equipment</i>					
Plant and equipment	80,359,043	Transaction price paid for an identical or a similar asset	Fair value is measured by reference to market valuations performed, adjusted for depreciation in value of the asset due to usage and age over time.	- Adjustment for depreciation in value due to usage and age over time	The estimated fair value would decrease if adjustments made for depreciation in value were below the reduction in price that a market participant in the current market would identify.
Motor vehicles	19,115,466	Transaction price paid for an identical or a similar asset	Fair value is measured by reference to market valuations performed, adjusted for depreciation in value of the asset due to usage and age over time.	- Adjustment for depreciation in value due to usage and age over time	The estimated fair value would decrease if adjustments made for depreciation in value were below the reduction in price that a market participant in the current market would identify.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: FAIR VALUE MEASUREMENT (CONTINUED)

(b) Valuation techniques, significant unobservable inputs used in level 3 fair value measurements and the relation of unobservable inputs to fair value (Continued)

	Fair value \$	Valuation technique	Description of valuation technique and inputs used	Significant unobservable inputs and range	Relation of unobservable inputs to fair value
2023					
Fair value measurements					
Non-financial assets					
<i>Revalued property, plant and equipment</i>					
Plant and equipment	76,303,433	Transaction price paid for an identical or a similar asset	Fair value is measured by reference to market valuations performed, adjusted for depreciation in value of the asset due to usage and age over time.	- Adjustment for depreciation in value due to usage and age over time	The estimated fair value would decrease if adjustments made for depreciation in value were below the reduction in price that a market participant in the current market would identify.
Motor vehicles	18,003,394	Transaction price paid for an identical or a similar asset	Fair value is measured by reference to market valuations performed, adjusted for depreciation in value of the asset due to usage and age over time.	- Adjustment for depreciation in value due to usage and age over time	The estimated fair value would decrease if adjustments made for depreciation in value were below the reduction in price that a market participant in the current market would identify.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8: FAIR VALUE MEASUREMENT (CONTINUED)

(c) Sensitivity analysis for recurring level 3 fair value measurements

The valuation of the revalued property, plant and equipment is sensitive to significant fluctuations in the underlying market value of similar assets, as well as the decline in value for a market participant based on the continued usage and ageing of the item. In particular:

- A significant decrease / (increase) in overall market values for the types of plant and equipment, or motor vehicles held, would result in a significantly lower / (higher) fair value; and
- A significantly lower price reduction for passage of time and usage for a market participant's expectation as compared to depreciation recorded, would result in a significantly higher / (lower) fair value.

(d) Reconciliation of recurring level 3 fair value movements

For each asset categorised as recurring level 3 fair value measurements, refer to Note 20(b) for the reconciliation of each asset held at fair value from opening balance to closing balance.

The carrying value of all other financial assets and financial liabilities represent their fair value.

(e) Valuation processes used for level 3 fair value measurements

Refer to Note 20(a) for the reconciliation of each asset held at fair value from opening balance to closing balance.

NOTE 9: EARNINGS PER SHARE (EPS)

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

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

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

	2024	2023
	\$	\$
Profit attributable to ordinary securityholders of the stapled Group	<u>30,259,424</u>	<u>7,319,767</u>
Profit attributable to securityholders of the stapled Group for basic earnings and diluted earnings	<u>30,259,424</u>	<u>7,319,767</u>
Weighted average number of ordinary shares for basic EPS	<u>160</u>	<u>160</u>
Weighted average number of ordinary securities adjusted for the effect of dilution	<u>160</u>	<u>160</u>
- Based earnings per security (dollars)	189,121	45,748
- Diluted earnings per security (dollars)	<u>189,121</u>	<u>45,748</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 10: INCOME TAX		
(a) Components of tax expense		
Current tax	23,820,860	9,187,575
Deferred tax	(8,519,434)	(4,108,745)
Under provision in prior years	<u>243,553</u>	<u>100,206</u>
	<u><u>15,544,979</u></u>	<u><u>5,179,036</u></u>
(b) Income tax reconciliation		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 30.0% (2023: 30.0%)	15,226,418	5,030,946
Add tax effect of:		
- Other non-allowable items	75,008	144,999
- Under provision for income tax in prior year	<u>243,553</u>	<u>100,206</u>
	318,561	245,205
Less tax effect of:		
- Franking credits	-	49,000
- Equity accounted investment	<u>-</u>	<u>48,115</u>
	<u>-</u>	<u>97,115</u>
Income tax benefit attributable to profit	<u><u>15,544,979</u></u>	<u><u>5,179,036</u></u>
(c) Current tax		
Current tax relates to the following:		
<i>Current tax liabilities</i>		
Opening balance	3,503,554	3,778,709
Income tax	23,820,860	9,187,575
Tax payments	(12,062,589)	(9,462,730)
Under provision for income tax in prior years	243,553	-
Other	<u>239,263</u>	<u>-</u>
Current tax liabilities	<u><u>15,744,641</u></u>	<u><u>3,503,554</u></u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$	2023 \$
NOTE 10: INCOME TAX (CONTINUED)		
(d) Deferred tax		
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
The balance comprises:		
Tax losses carried forward	17,932,950	22,356,537
Employee benefits	3,847,990	3,211,290
Accruals	333,919	373,920
Provisions	287,777	105,256
Leases	109,357	112,028
Debtor retentions	2,358,427	1,538,984
Deferred income	<u>4,910,655</u>	<u>8,784,705</u>
	<u>29,781,075</u>	<u>36,482,720</u>
<i>Deferred tax liabilities</i>		
The balance comprises:		
Contract assets	3,214,340	4,111,133
Depreciation	16,368,837	25,844,841
Unclaimed claims and retentions	<u>8,089,044</u>	<u>12,937,326</u>
	<u>27,672,221</u>	<u>42,893,300</u>
Net deferred tax assets / (liabilities)	<u>2,108,854</u>	<u>(6,410,580)</u>
(e) Deferred income tax expense/(revenue) included in income tax expense comprises		
Decrease / (increase) in deferred tax assets	6,701,645	(21,333,002)
(Decrease) / increase in deferred tax liabilities	<u>(15,221,079)</u>	<u>17,224,257</u>
	<u>(8,519,434)</u>	<u>(4,108,745)</u>
(f) Deferred income tax related to items charged or credited directly to equity		
Increase in deferred tax liabilities	<u>-</u>	<u>(271,335)</u>
NOTE 11: CASH AND CASH EQUIVALENTS		
Cash on hand	1,410	990
Cash at bank	<u>87,701,612</u>	<u>80,541,836</u>
	<u>87,703,022</u>	<u>80,542,826</u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$	2023 \$
NOTE 12: RECEIVABLES		
CURRENT		
Receivables from contracts with customers	70,538,527	59,187,379
Allowance for credit losses	<u>-</u>	<u>-</u>
	70,538,527	59,187,379
Uncertified claims	44,505,851	55,974,170
Other receivables	6,957,449	2,727,054
Loans to related parties and joint venture	<u>17,427,103</u>	<u>14,854,775</u>
	<u><u>139,428,930</u></u>	<u><u>132,743,378</u></u>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Movements in uncertified claims during the financial year relate primarily to amounts transferred into Trade receivables as the right to receive payment from the customer has become unconditional.

Impairment of receivables from contracts with customers

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

The Group determines expected credit losses based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

NOTE 13: INVENTORIES

CURRENT		
<i>At cost</i>		
Finished goods	<u>213,418</u>	<u>-</u>

NOTE 14: CONTRACT ASSETS

CURRENT		
Gross construction work in progress	<u>16,045,997</u>	<u>18,749,255</u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		\$	\$
NOTE 15: OTHER ASSETS			
CURRENT			
Prepayments		3,059,115	2,203,495
Prepaid borrowing expenses		<u>17,066</u>	<u>35,943</u>
		<u><u>3,076,181</u></u>	<u><u>2,239,438</u></u>
NON-CURRENT			
Other non-current assets		<u><u>65,280</u></u>	<u><u>186,424</u></u>
NOTE 16: INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD			
NON-CURRENT			
Equity accounted investments	18	<u><u>-</u></u>	<u><u>1,268,261</u></u>
NOTE 17: INTANGIBLE ASSETS			
Goodwill on consolidation at cost		154,467	154,467
Patents, trademarks and licences at cost		<u>15,000</u>	<u>15,000</u>
Total intangible assets		<u><u>169,467</u></u>	<u><u>169,467</u></u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 18: INTERESTS IN JOINT ARRANGEMENTS

(a) Joint Ventures

Investments in joint ventures are accounted for using the equity method.

Interests are held in the following companies:

	Nature of relationship	Ownership interest		Measurement basis	Quoted fair value (if available)	
		2024	2023		2024	2023
		%	%		\$	\$
Joint arrangement						
Wamarra Joint Venture	Joint venturer	49	49	Equity accounted	N/A	N/A
Country of incorporation: Australia						

(b) Joint Operations

	Nature of relationship	Ownership interest		Measurement basis	Quoted fair value (if available)	
		2024	2023		2024	2023
		%	%		\$	\$
Joint arrangement						
Laing O'Rourke Australia Construction Pty Ltd and Symal Infrastructure Pty Ltd	Joint operation	22	-	Percentage share	N/A	N/A
Country of incorporation: Australia						

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 18: INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(c) Summarised financial information for joint ventures

Summarised financial information for each material associated and joint venture is provided below.

	2024	2023
	\$	\$
Wamarra Joint Venture		
Total current assets	13,499,083	16,289,511
Total non-current assets	585,757	512,374
Total current liabilities	(14,452,216)	(14,130,322)
Total non-current liabilities	<u>(125,066)</u>	<u>(83,375)</u>
Net assets	<u>(492,442)</u>	<u>2,588,188</u>
Group's share in net assets	-	1,268,212
Revenue from contracts with customers	48,390,591	47,035,873
Expenses	(52,617,755)	(46,570,288)
Income tax benefit / (expense)	<u>1,269,602</u>	<u>(164,345)</u>
Total comprehensive income	<u>(2,957,562)</u>	<u>301,240</u>
Group's share of (loss) / profit for the year	(1,449,205)	147,607
Laing O'Rourke and Symal Infrastructure Joint Operation		
Total current assets	65,459,218	-
Total non-current assets	-	-
Total current liabilities	(61,706,374)	-
Total non-current liabilities	<u>-</u>	<u>-</u>
Net assets	<u>3,752,844</u>	<u>-</u>
Revenue from contracts with customers	246,446,582	-
Expenses	<u>(223,230,600)</u>	<u>-</u>
Total comprehensive income	<u>23,215,982</u>	<u>-</u>
Group's share of profit for the year	5,107,516	-

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 19: LEASE ASSETS AND LEASE LIABILITIES

	2024	2023
	\$	\$
(a) Lease assets		
Land and buildings		
Under lease	10,302,709	7,398,265
Accumulated depreciation	<u>(1,837,304)</u>	<u>(2,858,177)</u>
Total carrying amount of lease assets	<u><u>8,465,405</u></u>	<u><u>4,540,088</u></u>

Reconciliations

The Group's office contracts include extension options which allows the Group to extend the arrangements at future market rates upon expiry. This provides the Group flexibility in managing its office space requirements. The extension option have been included in the measurement of the lease liabilities and right of use assets. No termination options are expected to be utilised. All extension options are expected to be utilised and no terminations are expected amongst the group.

Land and buildings

Opening carrying amount	4,540,088	5,048,328
Additions and modifications	5,843,104	954,328
Disposals and modifications	(129,992)	-
Depreciation	<u>(1,787,795)</u>	<u>(1,462,568)</u>
Closing carrying amount	<u><u>8,465,405</u></u>	<u><u>4,540,088</u></u>

(b) Lease liabilities

CURRENT		
Lease liability	<u>1,360,041</u>	<u>1,379,471</u>
NON-CURRENT		
Lease liability	<u>7,356,056</u>	<u>3,534,042</u>
Total carrying amount of lease liabilities	<u><u>8,716,097</u></u>	<u><u>4,913,513</u></u>

(c) Lease expenses and cashflows

Total cash outflow in respect of leases for the financial year was \$1,910,528.

NOTE 20: PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements

At cost	2,933,206	4,249,739
Accumulated depreciation	<u>(477,928)</u>	<u>(3,250,642)</u>
	<u><u>2,455,278</u></u>	<u><u>999,097</u></u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 20: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Plant and equipment		
Plant and equipment at fair value	118,480,870	96,884,494
Accumulated depreciation	<u>(38,121,827)</u>	<u>(20,581,061)</u>
	80,359,043	76,303,433
Motor vehicles at fair value	27,082,738	21,805,747
Accumulated depreciation	<u>(7,967,272)</u>	<u>(3,802,353)</u>
	19,115,466	18,003,394
Furniture, fixtures and fittings at cost	218,449	230,420
Accumulated depreciation	<u>(66,369)</u>	<u>(108,466)</u>
	152,080	121,954
Computer equipment at cost	2,100,835	2,049,204
Accumulated depreciation	<u>(1,204,310)</u>	<u>(1,152,768)</u>
	896,525	896,436
Assets under construction	<u>2,117,242</u>	<u>2,230,391</u>
Total plant and equipment	<u>102,640,356</u>	<u>97,555,608</u>
Total property, plant and equipment	<u>105,095,634</u>	<u>98,554,705</u>

(a) Valuations

The fair values of plant and equipment and motor vehicles have been determined by reference to director valuations, based upon independent valuations previously obtained for 30 June 2022 by an external valuer. Such valuations are performed on a fair value basis, being the amounts for which the assets could be exchanged between market participants in an arm's length transaction at the valuation date. Refer to Note 8: Fair Value Measurements for additional information on the fair value of property, plant and equipment.

The directors assess the frequency of revaluations depends based on evidence in fair values of changes. The directors consider frequent revaluations are unnecessary for the Group's items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

(b) Reconciliations

Leasehold improvements

Opening carrying amount	999,097	1,206,477
Additions	2,834,590	601,361
Disposals	(966,603)	-
Depreciation expense	<u>(411,806)</u>	<u>(808,741)</u>
Closing carrying amount	<u>2,455,278</u>	<u>999,097</u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 20: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(b) Reconciliations (Continued)		
<i>Plant and equipment</i>		
Opening carrying amount	76,303,433	79,183,649
Additions	35,095,111	37,220,712
Disposals	(6,860,376)	(16,218,447)
Depreciation expense	(26,409,516)	(24,062,957)
Transfers	<u>2,230,391</u>	<u>180,476</u>
Closing carrying amount	<u><u>80,359,043</u></u>	<u><u>76,303,433</u></u>
<i>Motor vehicles</i>		
Opening carrying amount	18,003,394	17,739,000
Additions	7,631,568	11,226,748
Disposals	(1,530,483)	(5,932,873)
Depreciation expense	(4,989,013)	(3,996,481)
Transfers	<u>-</u>	<u>(1,033,000)</u>
Closing carrying amount	<u><u>19,115,466</u></u>	<u><u>18,003,394</u></u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	121,954	129,922
Additions	73,804	27,958
Disposals	(1,939)	-
Depreciation expense	<u>(41,739)</u>	<u>(35,926)</u>
Closing carrying amount	<u><u>152,080</u></u>	<u><u>121,954</u></u>
<i>Computer equipment</i>		
Opening carrying amount	896,436	88,954
Additions	726,296	3,360
Disposals	(116,124)	-
Depreciation expense	(610,083)	(48,402)
Transfers	<u>-</u>	<u>852,524</u>
Closing carrying amount	<u><u>896,525</u></u>	<u><u>896,436</u></u>
<i>Assets under construction</i>		
Opening carrying amount	2,230,391	43,121
Additions	2,117,242	2,187,270
Transfers	<u>(2,230,391)</u>	<u>-</u>
Closing carrying amount	<u><u>2,117,242</u></u>	<u><u>2,230,391</u></u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$	2023 \$
NOTE 20: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(b) Reconciliations (Continued)		
<i>Total property, plant and equipment</i>		
Carrying amount at 1 July	98,554,705	98,391,123
Additions	48,478,611	51,267,409
Disposals	(9,475,525)	(22,151,320)
Depreciation expense	<u>(32,462,157)</u>	<u>(28,952,507)</u>
Carrying amount at 30 June	<u><u>105,095,634</u></u>	<u><u>98,554,705</u></u>
(c) Carrying amount of assets measured at fair value if the cost method had been applied		
Plant and equipment	72,137,072	62,636,267
Motor vehicles	16,046,722	14,652,597

(d) Property, plant and equipment pledged as security

Plant and equipment secured utilising hire purchase arrangements are detailed in borrowings note 22.

NOTE 21: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	47,142,490	76,336,062
Sundry creditors and accruals	46,832,755	39,986,915
Loan from related parties	<u>6,179,647</u>	<u>15,322,291</u>
	<u><u>100,154,892</u></u>	<u><u>131,645,268</u></u>

Trade payables are non-interest bearing and are normally settled on 60-day terms. Other payables are non-interest bearing and have an average term of 3-12 months.

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 22: BORROWINGS		
CURRENT		
<i>Secured liabilities</i>		
Insurance premium funding	2,977,239	2,355,664
Hire purchase liability	<u>26,827,787</u>	<u>18,832,389</u>
	<u>29,805,026</u>	<u>21,188,053</u>

NON-CURRENT

<i>Secured liabilities</i>		
Hire purchase liability	<u>61,777,517</u>	<u>52,129,613</u>

Insurance premium funding

This loan has been drawn down under a 10-month facility and amortised on a straight-line basis. Loan will be fully repaid January 2025.

Hire purchase liability

Hire purchase liabilities are taken out over a 5-year period with interest rates ranging between 2.47% and 12.69%.

In addition to the insurance premium funding and hire purchases arrangements, the Group is party to a finance facility with a bank guarantee facility limit of \$100,000,000 and revolving lease limits of \$30,000,000. The finance facility expires on 31 July 2025 and this facility includes certain financial covenants. The drawn down balances of guarantees are disclosed in Note 33.

(a) Assets pledged as security

Obligations under leases are secured on certain non-current assets of the Group in line with our banking facility and hire purchase arrangements.

(b) Defaults and breaches

There were no breaches of financial covenants in the current period or at 30 June 2024. Subsequent to year end, a breach occurred with a financial covenant associated with the finance facility. The Group has obtained a letter from the lender advising the Group is not obliged to comply with, and the lender will not test the particular covenant for the period starting 1 July 2024 and ending on 30 March 2025. The lender also agreed this applies retrospectively from 1 July 2024. Financial forecasts prepared by the Group indicate compliance with the covenant from 31 March 2025 to a date that is 12 months from the date of the financial statements.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$	2023 \$
NOTE 23: PROVISIONS		
CURRENT		
Employee benefits	12,580,843	9,931,370
Provision for losses on incomplete projects	-	329,210
Other	<u>1,838,747</u>	<u>75,891</u>
	<u><u>14,419,590</u></u>	<u><u>10,336,471</u></u>
NON-CURRENT		
Employee benefits	1,059,271	638,733
Other	<u>20,000</u>	<u>20,000</u>
	<u><u>1,079,271</u></u>	<u><u>658,733</u></u>

(a) Description of provisions

Employee benefit provisions

Employee benefit provisions include liabilities arising in respect of annual leave, long service leave and other employee benefits

Provisions for losses on incomplete projects

An onerous contract provision is recognised in respect of a project when, for the specific project, forecast final costs exceed forecast final revenue. The provision is equal to the lesser of the forecast final loss expected to be incurred less the loss incurred to date based on percentage of completion (measured by reference of total costs incurred to date as a percentage of estimated total costs) or the cost of penalties arising from failure to fulfil it.

The onerous contract provision is classified as current or non-current having regard to its estimated utilisation within 12 months after the reporting date, with reference to project productivity and associated costs during this period.

NOTE 24: OTHER LIABILITIES

CURRENT		
Deferred income	<u>47,732,001</u>	<u>55,151,750</u>

Deferred income

Contract liabilities relate to income billed in advance on long-term contracts. The outstanding balance as at 30 June 2023 has been recovered during the year. The closing balance as of 30 June 2024 is in relation to amounts billed on ongoing contracts where the performance obligation is yet to be satisfied. These amounts are anticipated to be earned within the next twelve months.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 25: FINANCIAL RISK MANAGEMENT

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

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Other market risk
- (e) Fair values compared with carrying amounts

The Board of Directors have overall responsibility for identifying and managing operational and financial risks.

The Group holds the following financial instruments:

	2024	2023
	\$	\$
Financial assets		
<i>Amortised cost</i>		
- Cash and cash equivalents	87,703,022	80,542,826
- Receivables	122,001,827	117,888,603
- Loans to related parties and joint venture	17,427,103	14,854,775
Financial liabilities		
<i>Amortised cost</i>		
- Payables	93,975,245	116,322,977
- Borrowings	91,582,543	73,317,666
- Lease liabilities	8,716,097	4,913,513
- Loans from related parties	6,179,647	15,322,291

The Group takes a balanced approach to risk and seeks the most advantageous position when managing its affairs. It adopts a controlled and transparent approach and ensures all business is carried on with honesty and integrity and in compliance with the applicable laws and regulations.

The Group's senior management oversees the management of these risks. The overall process for the management of risk is documented and overseen by the Group Managing Director who oversees the operational management of risk in line with the related policies/guidelines and reports regularly to the Board of Directors.

(a) Interest rate risk

The Group is exposed to interest rate risk in relation to its borrowings and cash holdings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group manages its interest rate risk by entering into fixed rate borrowings, with no refinancing agreement throughout the term of the borrowing.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Interest rate risk (Continued)

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

2024

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	\$	\$	\$	
<i>Financial assets</i>				
Cash	75,399,639	12,303,383	87,703,022	5.4 % Floating
Receivables	-	122,001,827	122,001,827	
Loans to related parties and joint venture	-	17,427,103	17,427,103	
	<u>75,399,639</u>	<u>151,732,313</u>	<u>227,131,952</u>	
<i>Financial liabilities</i>				
Insurance premium funding	2,977,239	-	2,977,239	3.7 % Fixed
Trade creditors and sundry payables	-	93,975,245	93,975,245	
Hire purchase liability	88,605,304	-	88,605,304	5.7 % Fixed
Loans from related parties	-	6,179,647	6,179,647	
Lease liabilities	8,716,097	-	8,716,097	5.5 % Fixed
	<u>100,298,640</u>	<u>100,154,892</u>	<u>200,453,532</u>	

2023

<i>Financial assets</i>				
Cash	69,236,958	11,305,868	80,542,826	5.1 % Floating
Receivables	-	117,888,603	117,888,603	
Loans to related parties and joint venture	-	14,854,775	14,854,775	
	<u>69,236,958</u>	<u>144,049,246</u>	<u>213,286,204</u>	
<i>Financial liabilities</i>				
Insurance premium funding	2,383,439	-	2,383,439	3.7 % Fixed
Trade creditors and sundry payables	-	116,322,977	116,322,977	
Hire purchase liability	70,934,227	-	70,934,227	5.4 % Fixed
Loans from associates	-	15,322,291	15,322,291	
Lease liabilities	4,913,513	-	4,913,513	4.2 % Fixed
	<u>78,231,179</u>	<u>131,645,268</u>	<u>209,876,447</u>	

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

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Interest rate risk (Continued)

Sensitivity

If interest rates were to increase/decrease by 100 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of profit for the year and equity would not be material.

(b) Credit risk

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

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

The Group obtains hire purchase financing through National Australia Bank and Toyota and therefore has a material credit risk exposure with these financiers. The Group does not have any other material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the Group.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

(ii) Trade receivables

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

(iii) Other receivables

Credit risk for other receivables is managed by timely lodgement and follow up of relevant regulatory bodies.

(iv) Loans with related parties and associates

Credit risk for loans with related parties and associates is managed through review and approval of related party transactions with an assessment of security.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of hire purchases, insurance funding, bank loans and lease contracts.

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

Year ended 30 June 2024	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Cash and cash equivalents	87,703,022	-	-	87,703,022	87,703,022
Receivables	139,428,930	-	-	139,428,930	139,428,930
Other financial assets	16,045,997	-	-	16,045,997	16,045,997
Payables	(100,154,892)	-	-	(100,154,892)	(100,154,892)
Borrowings	(18,787,071)	(15,389,990)	(67,569,023)	(101,746,084)	(91,582,543)
Lease liabilities	<u>(1,075,169)</u>	<u>(1,080,054)</u>	<u>(7,976,253)</u>	<u>(10,131,476)</u>	<u>(8,716,097)</u>
Net maturities	<u><u>123,160,817</u></u>	<u><u>(16,470,044)</u></u>	<u><u>(75,545,276)</u></u>	<u><u>31,145,497</u></u>	<u><u>42,724,417</u></u>
Year ended 30 June 2023					
Cash and cash equivalents	80,542,826	-	-	80,542,826	80,542,826
Receivables	132,743,378	-	-	132,743,378	132,743,378
Other financial assets	18,749,255	-	-	18,749,255	18,749,255
Payables	(131,645,268)	-	-	(131,645,268)	(131,645,268)
Borrowings	(12,934,031)	(12,492,603)	(57,347,123)	(82,773,757)	(73,317,666)
Lease liabilities	<u>(751,751)</u>	<u>(744,440)</u>	<u>(3,874,222)</u>	<u>(5,370,413)</u>	<u>(4,913,513)</u>
Net maturities	<u><u>86,704,409</u></u>	<u><u>(13,237,043)</u></u>	<u><u>(61,221,345)</u></u>	<u><u>12,246,021</u></u>	<u><u>22,159,012</u></u>

(d) Other market risk

Other market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Group does not have a material exposure to market price or foreign currency translation risk.

(e) Fair values compared with carrying amounts

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in consolidated statement of financial position and notes to financial statements.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$	2023 \$
NOTE 26: SHARE CAPITAL		
Issued and paid-up capital		
80 (2023: 80) ordinary shares - Symal Infrastructure Pty Ltd	80	80
80 (2023: 80) ordinary shares - Symal Group Pty Ltd	<u>80</u>	<u>80</u>
	<u><u>160</u></u>	<u><u>160</u></u>

Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and any external requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

During 2024, management paid dividends of \$5,322,900 (2023: \$15,344,200).

NOTE 27: RESERVES

Asset revaluation reserve	27(a)	8,371,225	12,584,236
Share premium reserve	27(c)	(2,700,000)	(2,700,000)
Other reserves	27(b)	<u>(677,195)</u>	<u>(677,195)</u>
		<u><u>4,994,030</u></u>	<u><u>9,207,041</u></u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2024
\$

2023
\$

NOTE 27: RESERVES (CONTINUED)

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Movements in reserve

Opening balance	12,584,236	18,568,690
Revaluation of property, plant and equipment, net of tax	-	(565,600)
Transfers	(4,213,011)	(5,459,244)
Transfers to non-controlling interests	<u>-</u>	<u>40,390</u>
Closing balance	<u><u>8,371,225</u></u>	<u><u>12,584,236</u></u>

(b) Other reserve

This reserve relates to the amount to which the buy-back price exceeded the value of share capital purchased.

Movements in reserve

Opening balance	<u>(677,195)</u>	<u>(677,195)</u>
Closing balance	<u><u>(677,195)</u></u>	<u><u>(677,195)</u></u>

(c) Share premium reserve

The share premium reserve is used to record transactions with non-controlling interests that result in a change in the groups interest in a subsidiary that does not result in a gain or loss of control.

Movements in reserve

Opening balance	(2,700,000)	(1,500,000)
Transactions with non-controlling interests	<u>-</u>	<u>(1,200,000)</u>
Closing balance	<u><u>(2,700,000)</u></u>	<u><u>(2,700,000)</u></u>

NOTE 28: RETAINED EARNINGS

Retained earnings at beginning of year	39,404,554	41,969,743
Net profit	30,259,424	7,319,767
Transfers from reserves	4,213,011	5,459,244
Dividends paid	<u>(5,322,900)</u>	<u>(15,344,200)</u>
	<u><u>68,554,089</u></u>	<u><u>39,404,554</u></u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 29: DIVIDENDS		
Final dividend paid from Symal Group Pty Ltd at \$NIL per share (2023: \$137,750) fully franked at 30%	-	11,100,000
Interim dividend paid from Symal Infrastructure Pty Ltd at \$66,536 per share (2023: \$17,900) fully franked at 30%	5,322,900	1,432,000
Final dividend paid from Symal Infrastructure Pty Ltd at \$NIL per share (2023: \$31,153) fully franked at 30%	-	2,812,200
NOTE 30: NON-CONTROLLING INTERESTS		
Capital	41	41
Reserves	181,581	181,581
Retained earnings	<u>9,213,252</u>	<u>4,262,930</u>
	<u><u>9,394,874</u></u>	<u><u>4,444,552</u></u>
(a) Share capital		
<i>Movements in non-controlling interest share capital</i>		
Opening balance	41	31
Acquisition of shares	<u>-</u>	<u>10</u>
Closing balance	<u><u>41</u></u>	<u><u>41</u></u>
(b) Retained earnings		
<i>Movements in non-controlling interest retained earnings</i>		
Opening balance	4,262,930	1,891,914
Share of profit	4,950,322	4,271,016
Share of dividends	<u>-</u>	<u>(1,900,000)</u>
Closing balance	<u><u>9,213,252</u></u>	<u><u>4,262,930</u></u>
(c) Asset revaluation reserve		
<i>Movements in reserve</i>		
Opening balance	181,581	221,972
Revaluation of property, plant and equipment, net of tax	<u>-</u>	<u>(40,391)</u>
Closing balance	<u><u>181,581</u></u>	<u><u>181,581</u></u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2024
\$

2023
\$

NOTE 30: NON-CONTROLLING INTERESTS (CONTINUED)

(d) Financial information

Unyte Group Holdings Pty Ltd

Current assets	24,533,544	29,336,329
Non current assets	56,468,743	30,275,509
Current liabilities	(36,646,418)	(16,542,975)
Non-current liabilities	(25,484,194)	(25,501,129)
Revenue	95,845,618	79,137,024
Total comprehensive income	<u>1,303,941</u>	<u>6,413,257</u>

Symal Contractors Pty Ltd

Current assets	49,787,320	71,036,551
Non current assets	39,714,435	1,027,957
Current liabilities	(51,863,103)	(58,606,081)
Non-current liabilities	(100,118)	(19,534)
Revenue	172,677,253	155,102,163
Total comprehensive income	<u>24,099,644</u>	<u>17,789,921</u>

NOTE 31: RELATED PARTY TRANSACTIONS

(a) Transactions with entities

Transactions occur regularly in the ordinary course of business with the following related parties:

- Fyansford Landfill Unit Trust
- Fyansford Landfill Landholding
- Geelong Landfill
- Geelong Landfill Landholding
- Sycle Laverton
- Sycle Avalon
- Sycle Asset Holding
- Sycle Operations
- Sycle Quarries

See below for a summary of transactions during the year:

Sales	1,805,752	458,071
Purchases	(15,675,172)	(7,894,596)
Intercompany recharges received	4,204,628	3,618,627
Trade receivables	1,366,262	250,510
Trade payables	(853,101)	(486,693)
Loans receivable from related parties	5,580,000	2,518,836

Loans receivable from related parties are not contracted and are not subject to any terms or conditions.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 31: RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with entities with joint ventures in which the entity is a venture

Transactions occur in the ordinary course of business with the following joint venture:

- Wamarra Joint Venture

	2024	2023
	\$	\$
Sales	3,861,338	955,188
Purchases	(2,889,422)	(7,948,342)
Intercompany recharges received	4,211,417	2,718,911
Trade receivables	4,398,219	48,262
Trade payables	(170,820)	(1,179,049)
Loans receivable from joint venture	2,000,000	4,911,236

Loans receivable from the joint venture are not contracted and are not subject to any terms or conditions.

(c) Transactions with key management personnel of the entity or its parent and their personally related entities

Transactions occur in the ordinary course of business with the interests of the following key management personnel (KMP) and their personally related entities:

- Joeseeph Bartolo
- Andrew Fairbairn
- Raymond Dando
- Cameron Healy (Director of Symal Contractors Pty Ltd)
- David Caserta (Director Unyte Group Holdings Pty Ltd and controlled entities)

Sales	678,308	-
Trade receivables	471,866	4,211
Loans receivable from KMP's or their personally related entities	9,839,205	7,242,994
Loans payable to KMP's or their personally related entities	(6,179,490)	(15,310,209)

Loans receivable from and payable to related parties are not contracted and are not subject to any terms or conditions.

Subsequent to 30 June 2024, uncontracted short-term loans totalling \$17.0m were paid to the Directors of the Group.

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$

NOTE 32: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the Group	<u>7,217,655</u>	<u>6,189,674</u>
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Key Management Personnel incorporate Group Directors and members of the Executive Leadership Team.

The names of directors of the Group who have held office during the year are:

Joseph Bartolo

Raymond Dando

Andrew Fairbairn

NOTE 33: CONTINGENT LIABILITIES

From time to time, the Group may have outstanding contractual claims in respect of construction contracts in the ordinary course of business. The Directors have reviewed these matters in detail, having regard to all known factors at this time, in determining the operating profit for the year ended 30 June 2024. No material or disclosable contingent liabilities exist as at 30 June 2024 in relation to any claim matters.

Estimates of the maximum amounts of contingent liabilities that may become payable:

Bank guarantees	49,891,214	42,282,670
Bond facility	<u>16,030,939</u>	<u>9,011,602</u>

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2024
\$

2023
\$

NOTE 34: CASH FLOW INFORMATION

(a) Reconciliation of cash

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

Cash on hand	1,410	990
Cash at bank	<u>87,701,612</u>	<u>80,541,836</u>
	<u><u>87,703,022</u></u>	<u><u>80,542,826</u></u>

(b) Reconciliation of cash flow from operations with profit after income tax

Profit from ordinary activities after income tax	35,209,746	11,590,783
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Adjustments and non-cash items

Depreciation and amortisation	34,385,291	30,445,166
Net loss on disposal of property, plant and equipment	3,527,147	442,351
Share of net profits / (losses) of associates and joint ventures accounted for using the equity method	1,268,261	(160,383)

Changes in operating assets and liabilities

(Increase) in receivables	(4,113,224)	(17,687,320)
(Increase) in other assets	(850,938)	(376,450)
Decrease / (increase) in contract assets	2,703,258	(4,426,459)
(Decrease) / increase in payables	(15,647,856)	10,838,775
(Decrease) / increase in other liabilities	(7,419,749)	39,142,537
(Increase) in inventories	(213,418)	-
(Increase) in deferred taxes	(8,519,434)	(4,407,926)
Increase / (decrease) in provisions	4,503,657	(4,359,692)
Increase / (decrease) in tax	<u>12,241,087</u>	<u>(275,155)</u>
Cash flows from operating activities	<u><u>57,073,828</u></u>	<u><u>60,766,227</u></u>

(c) Reconciliation of liabilities arising from financing activities

Proceeds from borrowings during the year amounted to \$51,263,522 (FY23: \$51,205,998). Borrowings were repaid during the year of \$32,998,645 (FY23: \$29,596,290). Repayments of right-of-use (principal) lease liabilities of \$976,887 (FY23: \$1,541,120).

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2024
\$

2023
\$

NOTE 35: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Symal Infrastructure Pty Ltd, financial statements:

(a) Summarised statement of financial position

Assets

Current assets	148,422,117	149,435,962
Non-current assets	<u>10,705,653</u>	<u>10,661,294</u>
Total assets	<u>159,127,770</u>	<u>160,097,256</u>

Liabilities

Current liabilities	101,242,061	117,023,382
Non-current liabilities	<u>12,055,717</u>	<u>11,076,013</u>
Total liabilities	<u>113,297,778</u>	<u>128,099,395</u>
Net assets	<u>45,829,992</u>	<u>31,997,861</u>

Equity

Share capital	80	80
Retained earnings	46,030,164	32,023,031
Reserves		
Reserves	<u>(200,252)</u>	<u>(25,250)</u>
Total equity	<u>45,829,992</u>	<u>31,997,861</u>

(b) Summarised statement of comprehensive income

Profit for the year	19,330,033	1,570,383
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>19,330,033</u>	<u>1,570,383</u>

(c) Parent entity guarantees

The parent entity had the following guarantees in relation to the debts of its related parties (refer Note 31(a)) as at 30 June 2024:

- Asset Finance \$12,282,258
- Bank loan \$1,269,174

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 35: PARENT ENTITY DETAILS (CONTINUED)

(d) Parent entity information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except for the following:

Symal Infrastructure Pty Ltd and its wholly owned subsidiaries have formed a tax-consolidated group and entered into a tax funding agreement, under which:

- each group entity accounts for their own current and deferred tax amounts on a stand-alone taxpayer basis; and
- current tax liabilities and deferred tax assets in respect of tax losses are transferred from the relevant subsidiary to Symal Infrastructure Pty Ltd (the parent entity) as intercompany payables and receivables. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to or distribution by the parent entity.

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

NOTE 36: INTERESTS IN SUBSIDIARIES

(a) Subsidiaries

The following are the Group's significant subsidiaries and includes subsidiaries of Symal Infrastructure Pty Ltd and Symal Group Pty Ltd, all of which are incorporated in Australia:

Subsidiaries of Symal Infrastructure Pty Ltd and Symal Group Pty Ltd:	Ownership interest held by the group	
	2024	2023
	%	%
Bridge & Civil Pty Ltd	100	100
Unyte Group Holdings Pty Ltd and controlled entities	90	90
Symal Contractors Pty Ltd	80	80
Symal Management Pty Ltd	100	100
Symal Resources Pty Ltd	100	100
Unyte Eastern Pty Ltd (formerly Symal Solutions Pty Ltd)	100	100
Symal Structures Pty Ltd	100	100
Symal Waste Resource Recovery Pty Ltd	100	100
Symal Demolition Pty Ltd	100	100
Symal Shared Services Pty Ltd	100	100
Symal Group Services Pty Ltd	100	100
Symal Infrastructure Qld Pty Ltd	100	-
Symal SA Pty Ltd	100	-
Symal PPL Pty Ltd	100	-
Searo Electrical Services Pty Ltd	100	-
Ascot Hold Co Pty Ltd	100	-

CONSOLIDATED SYMAL GROUP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 37: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2024 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2024, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2024, of the group.

NOTE 38: ENTITY DETAILS

The registered office of the Group is:

Symal Infrastructure Pty Ltd
Pitcher Partners
Level 13
664 Collins Street
Docklands, VIC 3008

The principal place of business is:

Symal Group Pty Ltd
208 - 210 Hall Street
SPOTSWOOD VIC 3015

CONSOLIDATED SYMAL GROUP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 39: REMUNERATION OF AUDITORS		
Remuneration of auditors for:		
<i>Ernst & Young</i>		
Audit and assurance services		
- Audit of the financial report	410,000	-
Other non-audit services		
- Strategy and transaction services	445,000	-
- Taxation services	<u>-</u>	<u>-</u>
	<u>855,000</u>	<u>-</u>
<i>Pitcher Partners (Melbourne)</i>		
Audit and assurance services		
- Audit of the financial report	-	207,500
- Other assurance services	12,750	-
Other non-audit services		
- Taxation services	<u>364,126</u>	<u>261,975</u>
	<u>376,876</u>	<u>469,475</u>
Total remuneration of auditors	<u>1,231,876</u>	<u>469,475</u>

CONSOLIDATED SYMAL GROUP

DIRECTORS' DECLARATION

The directors of the Companies declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 5 - 65, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) as stated in Note 1, the consolidated financial statements also comply with *International Financial Reporting Standards*; and
 - (c) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2024 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Companies will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____
Joseph Bartolo

Director: _____
Andrew Fairbairn

Dated this day of October 2024

CONSOLIDATED SYMAL GROUP

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYMAL INFRASTRUCTURE PTY LTD

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CONSOLIDATED SYMAL GROUP

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYMAL INFRASTRUCTURE PTY LTD

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CONSOLIDATED SYMAL GROUP

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYMAL INFRASTRUCTURE PTY LTD

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