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APPENDIX 4E

Results for Announcement to
the Market and Annual Report

2022

BSA Limited

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FOR THE YEAR ENDED 30 JUNE 2022



Image courtesy of Sydney Football Stadium

bsa[®]

CONTENTS

- APPENDIX 4E
- ANNUAL REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

FOR THE PERIOD ENDED 30 JUNE 2022

PREVIOUS CORRESPONDING PERIOD 30 JUNE 2021

APPENDIX 4E

	2022 \$'000	2021 ⁽¹⁾ \$'000	Movement \$'000	Movement %
Revenue from ordinary activities	466,145	418,346	47,799	11%
Other income	215	4,200	(3,985)	n/m
Total Income	466,360	422,546	43,814	10%
(Loss)/Profit from ordinary activities after income tax attributable to members	(42,242)	9	(42,251)	n/m
Net (Loss)/Profit for the period attributable to members	(42,242)	9	(42,251)	n/m
	2022 cents	2021 ⁽¹⁾ cents		
Basic earnings per share	(8.057)	0.002		
Diluted earnings per share	(8.057)	0.002		
Net tangible asset backing per ordinary share	(5.252)	(0.265)		

⁽¹⁾ Comparative financial information has been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2 of the financial report for further details.

DIVIDENDS

	Amount per security (cents)	Franked amount per security at 30% tax (cents)
Interim dividend (fully franked)	nil	-
Final dividend (fully franked)	nil	-

Commentary and explanations of the results

The financial report of the Company for the financial year ended 30 June 2022 presents the consolidated financial performance for the Group. Additional Appendix 4E disclosure requirements, commentary, and explanation of the results for the financial year are contained in the Directors' Report and the accompanying Financial Report dated 23 August 2022. This report is based on the consolidated financial statements which have been audited by Deloitte Touche Tohmatsu, with the Independent Auditor's Report included in the consolidated financial report.



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BSA Limited
Annual Report

2022





Wet and dry fire installation and commissioning
at the Art Gallery of NSW, Sydney Modern Project.

Contents

Chairman's Report - 4

CEO's Report - 7

Directors' Report - 14

Remuneration Report - 16

Auditor's Independence Declaration - 27

Financial Report - 28

Directors' Declaration - 66

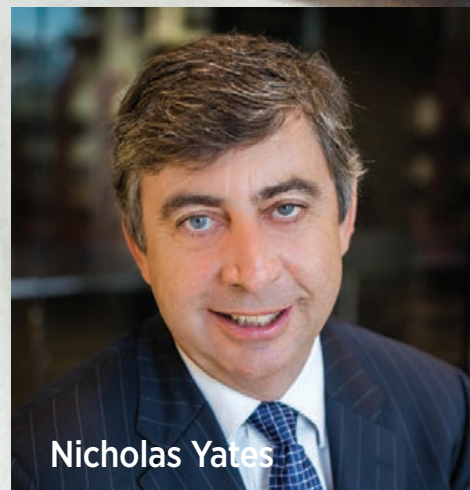
Independent Auditor's Report - 67

Shareholder Information - 73

Corporate Directory - 76

Cover Image
Image of the Sydney Modern Project as produced by Kazuyo Sejima
+ Rye Nishizawa / SANAA (c) Art Gallery of New South Wales, 2021

Chairman's Report



Nicholas Yates

2022 Key Highlights*

\$466.4 million

Revenue

\$0.1 million

EBITDA

(\$8.7) million

Net Loss

*pre-significant items (refer page 6)

On behalf of the Board, I am pleased to present the FY2022 BSA Annual Financial Report and provide shareholders with an update on our progress in a year which once again proved to be dynamic and unpredictable. Despite a year of challenges and change, the Group finds itself on a stronger financial footing and at an inflection point to move forward and achieve its stated goals.

In Australia, following a disrupted year prior, there were glimmers of hope for a return to normal. Because of the level of border closures, red zones, travel restrictions, isolation mandates and ongoing testing for COVID-19, the impacts were being felt across the economy, and BSA was certainly not immune to these impediments in doing business. It was challenging to navigate the protocols and government restrictions particularly in the first half of FY2022 which significantly affected both the Communications and Utilities Infrastructure (CUI) and our Advanced Property Solutions (APS) business. Indirect impacts included project award delays, mobilisation challenges and having to navigate control measures put in place to keep our employees, contractors and customers safe, which was our primary concern. The stringent health controls implemented dramatically increased the incidence of employees sick leave as a result of 'close contact' rules, which evolved during the financial year. This complicated BSA's provision of contracted services to our customers.

Following on from the previous year, we successfully developed a hybrid method of operations with our workforce, seamlessly integrating 'work from home' with 'on the job' opportunities, to the advantage of our customers. On behalf of the Board, I commend our workforce for its resilience and flexibility. However, whilst the Group continued to plan to meet its major strategic expansion objectives, the ability to achieve the targets was tested by fluctuating management priorities in the continually uncertain environment. Despite this, the Board continued to encourage the development of both culture and values. The Group's structure has evolved to adapt to client demand and spending patterns with a clear focus on excellent service delivery using a sustainable cost base.



KEY DEVELOPMENTS THROUGHOUT THE YEAR:

Class Action Settlement

All stakeholders had been made aware of the Class Action brought against the Group by Shine Lawyers alleging that independent contractors should be treated as employees. The Group has consistently defended its position. However, the Board re-evaluated the defense of the legal case and associated opportunity cost against the merits of a commercial solution which was to reduce damage to the Group. The Board considered management distraction from running our existing business and concluded, that the legal action represented a major obstacle to winning new work in addition to impacting on existing client relationships. In February 2022, the Board opted for a commercial solution to enable the Group to move forward and a provisional agreement was reached with Shine, subject to Court approval to pay a settlement of \$20 million, over three years, funded from current and future operating cash flows.

As a result, the settlement, plus associated costs, totalling \$23.5 million, have been recognised as a significant one-off cost in the results for the financial year. The Federal Court subsequently approved the settlement in July 2022.

Capital Raise

During April 2022, the Board undertook a \$13.5 million capital raise (before costs) which was supported by its three major shareholders. The funds received were utilised for general working capital purposes.

At the time of the raise, the Board considered its strategic statement published on 8 February 2021 which targeted a 3 year growth target to FY2024 of \$750 million revenue at a minimum of 5% EBITDA margins. This statement was retracted on 6 April 2022 due to the ongoing

external volatility, the Class Action and the subsequent management changes. It is imperative to point out that this does not diminish our long-term strategic ambitions, however we must adjust for our current trading conditions. The Group is now focused upon four short-term priorities for its ongoing business being:

- to simplify its structures to best service clients;
- to right size the cost base to better match current revenue projections;
- to prioritise immediate term initiatives; and
- most importantly, to retain our key people and talent.

These initiatives have been progressed by the business resulting in improved FY2022 second half trading and setting a base for improved performance in FY2023.

Occupational Health and Safety

The Group and the Board are continually reviewing their Occupational Health and Safety standards in the best interests of its employees and contractors. We are pleased to show that in this financial year, management has remained very focused on proactively managing all risks across the portfolio and analysing all incidents and potential incidents. One of the forward looking initiatives was to continue to hold an on-line 'Stop for Safety' day to remind employees and contractors of the importance of safety especially leading into the year end holidays. Over 1,000 employees and contractors attended the Zoom meeting during which the Group partnered with 'Gotcha4Life' to focus on mental health and mental fitness. Management is determined to embed mental wellness into the existing BSA programs. Safety systems are continuously reviewed and improved to adhere to client and international standards and to ensure that our staff and contractors are safe at work.

CHAIRMAN'S REPORT

Board and executive changes

During the year, there have been some Board and management changes.

In November 2021, Paul Teisseire retired as a director. Paul's input over the last 15 years has been invaluable especially as Audit and Risk Committee Chair. Paul was replaced immediately after the 2021 Annual General Meeting by Brendan York who also took on the role as Audit and Risk Committee Chair. Brendan brings a wealth of experience in financial management and compliance.

In March 2022, Michael Givoni retired after 17 years serving as a Non-executive Director and more recently as Chairman since April 2015. His area of expertise was in strategy, business development and mergers & acquisitions. Michael provided considerable input in developing the strategy of the business and provided great leadership. I have the privilege of taking the helm as Interim Chair and would like to thank Michael for his guidance and support.

In April 2022, Timothy Harris resigned as Managing Director and Chief Executive Officer ("CEO"). At the same time a broader cost optimisation strategy was executed across the leadership team. Arno Becker, the then Chief Financial Officer ("CFO") has stepped up to assume the role of Interim CEO as well as his ongoing function as CFO. The Group and its employees have shown their resilience and support during considerable change.

The Board has commenced the process to appoint a new CEO and is looking at both internal and external candidates. In the interim the Board remains confident that the structures in place support the delivery of services to our customers.

Financial and Operational Performance

Our financial performance in FY2022 has been challenging. Whilst the Group achieved a small growth in revenue and other income of 10.4% compared to the prior year, the EBITDA before significant items margin was materially eroded. The Board's focus is to re-establish appropriate margin to our existing revenue base and generate positive operating cash flows. The Group has a fixed timetable in relation to the Class Action settlement payments over the next two years which shapes the Group's capital allocation strategy as potential dividends relating to profits generated by the Group are restricted until Class Action payments have been made each financial year.

The last two years high-level financial results are:

	FY2022	FY2021 ⁽¹⁾
	\$'m	\$'m
Revenue and other income	466.4	422.5
EBITDA pre-significant Items	0.1	20.1
Depreciation & Amortisation	(7.5)	(10.0)
EBIT pre-significant items	(7.4)	10.1
Finance Costs	(1.6)	(2.1)
Income Tax benefit/(expense) pre-significant items	0.3	(2.8)
Net Profit/(Loss) before significant items	(8.7)	5.2
Significant Items after tax	(33.5)	(5.2)
Net Profit/(Loss)	(42.2)	-

⁽¹⁾ Restated, please see note F2 of the financial report for more detail.

The CEO's report will outline these results in more detail.

Finally, I would like to thank my fellow Directors, the Executive Leadership Team and the BSA workforce including both employees and contractors, for their commitment over the year. It has been an extraordinarily challenging time and all Group personnel have adapted to new circumstances and to unforeseen and ongoing matters outside our control. While the challenges remain and continue to evolve, our workforce has shown its resilience and we are addressing all challenges giving the Board confidence that this laser sharp focus will remain. I remain optimistic as to BSA's future given the positive momentum from the latter part of the year and believe that all stakeholders should be confident that the operational and leadership changes put in place will support the future of the Group. I look forward to reporting back to shareholders next year with more progress.



Nicholas Yates

Interim Chair | 23 August 2022



Westconnex3A Tunnel - Roadway.
Installed deluge pipework to over 16 kilometres
of road way in 10 separate tunnels.
Image courtesy of WestConnex

CEO's Report



Arno Becker

OPERATIONAL UPDATE

I would like to thank all of the staff and contractors of BSA for their efforts throughout the year. Your work, day in day out, to service our clients makes a considerable difference.

FY2022 proved to be a challenging year for BSA. The first half of the financial year was significantly impacted by COVID-19; most notably:

- Closure of construction sites on the East Coast;
- Reclassification of "Essential Services" impacting previously unaffected contracts, clients and platforms including smart metering and Foxtel;
- Restrictions on travel impacting labor demand across states; and
- Health protocols significantly reducing the productivity of the workforce.

The Group's approach in navigating the impacts of COVID-19 was to target a *return to normal* scenario. This scenario was estimated to occur once the population achieved a 95% vaccination rate under public health targets and was originally forecast to occur by the end of the first half of FY2022. The Group retained its cost base and infrastructure put in place to deliver on its growth strategy which included significant investment in people, systems and its operating model.

At the same time the Group was defending a Class Action brought against it by Shine Lawyers. This had a significant impact on management resources, client relationships and operating expenses. In February 2022 BSA reached a commercial settlement with Shine Lawyers amounting to \$20 million, excluding legal costs, to be paid over a three-year period from current and future operating cashflows. Management and the Board assessed this commercial decision in the best interests of shareholders.

Unfortunately, expected trading did not return in the second half of FY2022 to the levels required to sustain the existing cost base. In addition, the East Coast of Australia experienced an unprecedented amount of rainfall in Q3 FY2022. This significantly impacted progress on construction and service sites.

BSA | Group

\$466.4 million

Revenue

FY2021 \$422.5million

\$0.1 million

EBITDA

FY2021 \$20.1million

*pre-significant items (refer page 6)

CEO's REPORT

On reflection, the impact of COVID-19 and other items on BSA's business were more adverse than originally estimated with the aggregated impact of the above resulting in losses over the period. The Group has commenced to address this by focusing on its delivery model and overhead structure. In April 2022, the Group successfully restructured its operating processes, making significant changes to the cost base. The Group also undertook a capital raise of \$13.5 million before costs to be utilised for general working capital purposes. The support from existing shareholders was vital.

The last quarter of the financial year showed positive signs indicating a gradual return to a sustainable operating rhythm and generation of appropriate returns.

Most importantly, we have a talented workforce that has proved to be incredibly resilient under difficult circumstances and are looking forward to the upcoming financial year where we anticipate to have an uninterrupted year to our delivery models.

WORKPLACE HEALTH AND SAFETY

The health, safety and wellbeing of our people continued to remain a key focus in FY2022 as we underpinned our value of 'we work safe and go home safe'.

In FY2021 BSA conducted a Health and Safety ("HSE") Index survey. The results of the survey were utilised to develop the FY2022 health, safety and wellbeing program under the below strategic pillars of:

- Leadership;
- Systems and Risk;
- Engagement; and
- Health and Wellbeing.

Key achievements for the year include:

- The establishment of the health and wellness hub;
- A refreshed critical risk control program;
- Consolidation of our health, safety and environment (HSE) systems;
- The automation of HSE dashboards through Power BI; and
- Our celebration of the Safe Work Australia month in October with BSA's Annual Stop for Safety Day having a mental health focus. The day closed with an inspiring session by Gus Worland from Gotcha4Life.

Our injury frequency rates remained relatively stable. Lost Time Injuries (LTIFR) increased marginally from 2.77 to 2.83 whilst Total Recordable Injuries (TRIFR) decreased from 7.76 to 6.23.

During the year we successfully maintained our International Standard for Occupational Health and Safety Management Systems (ISO 45001: 2018) and maintained accreditations to the Quality (AS/NZS: 9001), and Environment (ISO: 14001) Standards. We were also successfully reaccredited by the Office of the Federal Safety Commissioner (OFSC).

Our goal throughout FY2023 will be to improve our HSE Index score whilst continually developing our safety excellence. BSA has commenced the development of a tailored Safety Leadership Pathway program with competencies and skills required to drive a high performing culture and leadership team.

FINANCIAL UPDATE

The Group remained resilient and delivered a modest year-on-year revenue growth with the current and comparative periods impacted by COVID-19, albeit in varying ways. The APS segment continued to secure annuity-style revenue streams. Reactive maintenance and minor works demand was lower and impacted by clients' reduced discretionary spend. The CUI group was impacted by COVID-19 restrictions. These restrictions primarily impacted platforms other than nbn which was classified as an essential service throughout FY2022. Nbn transitioned from OMMA to Unify, resulting in higher volume but lower margin assurance activity from a previously more prominent higher margin lower volume activation platform. CUI has also been diversifying its customer base through new clients (including Axicom, TPG/Vodafone, Go Evie, American Towers & Intellihub).

Revenue levels compared to prior years grew 10.4% to \$466.4m (FY2021: \$422.5m) and driven by higher volumes in the CUI segment and new customers in the APS segment. However, lower margin mix work, the impact of COVID-19, inclement weather and the cost of new structures put in place for previously forecast growth resulted in EBITDA pre-significant items being materially lower than the prior year at \$0.1m (2021: \$20.1m).

The Net Loss amounted to (\$42.2m) (Net Profit FY2021: \$0.0m) which includes the following significant items:

- Settlement amount relating to the Class Action and associated costs - \$23.5m
- Impairment of goodwill - \$11.2m;
- Provision against uncertain indirect tax position - \$5.6m;
- Restructuring costs - \$1.6m;
- Costs related to legacy legal matters - \$0.8m; and
- Initial due diligence related costs - \$0.4m.

While these items exacerbate the net loss, it is important to note that the impairment of goodwill is a non-cash item, the Class Action settlement amount has a deferred payment profile and the restructuring costs incurred will yield future cost base benefit.

Operating cash outflow before interest and tax was impacted by the first tranche payment of the class action settlement (\$4.4m) and restructuring costs, resulting in a net operating outflow of \$13.8m (FY2021: \$7.6m) with Net Cash at year-end was \$1.9m (FY2021 \$12.8m).

No dividends have been declared for the year and future dividends will be subject to restrictions imposed by the Class Action Settlement Deed with Shine Lawyers including the requirement that each year's tranche is paid prior to the declaration of any dividends.

MANAGEMENT TEAM

As previously outlined, during the final quarter of FY2022 the Group made necessary structural changes which impacted the Executive Leadership Team. The leadership team was streamlined to myself as Interim CEO (in addition to CFO duties) and:

- Divisional EGM's Richard Bartley and Mark Dunn for both CUI and APS respectively. These divisions are now managing functional responsibilities across people, legal, safety and finance; and
- General Counsel Ben Quirk.

I would like to extend my thanks to Tim Harris, Joanna Hull, Rebecca Crompton and Tanya McCabe for their contributions to the business over the year. While the leadership team has lost a great talent, the streamlined leadership team is making great strides forward in setting the objectives for FY2023 and it is pleasing to see a great number of talented people step up and take leadership roles.

COMMUNITY SUPPORT

BSA is committed to continual engagement with the communities in which we work, through local training and employment opportunities, and Indigenous and community support through sponsorships and charity fundraisers.

The Group was actively involved with Ronald McDonald House Charities, R U OK? Day, White Ribbon Australia, Children's Cancer Institute, World Vision, The Children's Hospital Gifts Donation, St John of God Hospital, Drew Brophy Healing Fund, Movember and the QLD & NSW Flood Relief Appeal participating in charitable initiatives throughout the year.

Our team in NT are extremely active in the community, providing support to over 12 charities and community including Children's Charity, Variety NT, Carols by Candle Light, NT, Variety Bash, Katherine Indigenous Soccer 7's, Humpty Doo Child Care Centre, Darwin Speedway, Darwin Symphony Orchestra and the Humpty Doo Volunteer Fire Brigade.

DIVERSITY

Diversity & Inclusion ("D&I") has remained a focus area for BSA in FY2022. Over the course of the year, BSA developed its Group-wide First Nations Engagement Plan. The Plan outlines our approach and targets for FY2023 with emphasis on establishing the foundations of our purpose, defining our vision for reconciliation, and setting achievable goals and deliverables.

Our vision for our First Nations Engagement Plan is to:

- Make a Difference – Be part of a meaningful movement that can make a real difference to our people and the surrounding communities;
- Create Value – Create value for our stakeholders, as our employees and our customers demand it. This is a cornerstone of our success; and
- Be a Responsible Corporate – Instill a culture of acting lawfully, ethically and responsibly in line with our obligations.

Our commitment to D&I is reflected in our company Values, which are our guiding principles and essential to our success. We appreciate the value that diversity brings to our business and we acknowledge, honour and respect Aboriginal and Torres Strait Islander peoples, culture, and history.

In FY2022, we also continued our focus on gender diversity. The Group has sustained its female participation rates across senior leadership positions and across the Group. BSA continues to target improved female participation. This focus will continue more broadly across the business in FY2023.

Our four key approaches to diversity remain unchanged and include:

- Creating a workplace culture that embraces and respects diversity and inclusion;
- Addressing gender diversity in all areas of the organization;
- Improving overall diversity in recruitment; and
- Committing to a series of transparent checks and balances.

Every year, our team connects with thousands of customers across construction, business and residential sites Australia-wide to deliver our services. With a large technical workforce touching many communities within these areas, we acknowledge that BSA has a significant responsibility to contribute. Our Plan underpins our commitment to be genuine in our approach and not to focus exclusively on employment and procurement metrics.

BSA is a "relevant employer" under the Workplace Gender Equality Act and the most recent "Gender Equality Indicators", as defined in and published under that Act. Both are available to view on our website.

Group	Target FY2022		Actual FY2022	
	Female	Male	Female	Male
Board	14%	86%	20%	80%
Senior Leadership	22%	78%	22%	78%
Group	20%	80%	20%	80%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group recognises the importance of environmental, social and governance (ESG) practices as part of our corporate responsibility. BSA will evaluate key issues that contribute to the future of the Group, delivering returns to shareholders. BSA is currently evaluating its strategy and alignment with key clients. This will include an assessment of key sustainability insights and incorporating these into the broader BSA strategy. Key items identified include:

- Health and wellbeing
- Corporate governance and ethics
- Cybersecurity
- Contractor engagement
- Economic landscape
- Climate Change
- Human rights
- Diversity and inclusion
- Community



Design and construction of the fire suppression systems at the new Sydney Football Stadium.

Communications & Utility Infrastructure (CUI)

BSA | Communications & Utility Infrastructure ("CUI") successfully delivered strong revenue growth by capitalising on higher market share from existing contracts, but also mobilizing new contract wins which extend over several years.

CUI full year revenue increased by \$33m predominately due to higher nbn market share and demand compared to FY2021. This significant nbn revenue growth was offset by COVID-19 work restrictions on other customer platforms (including Vector, Foxtel and Telstra). As a result EBITDA return decreased by 53% and was further impacted by significant one-off mobilisation costs for the new/renewed contracts. COVID-19 work restrictions impacted the efficiencies on all customer platforms due to increased infection-control protocols.

With contracts now fully mobilised throughout FY2022 and COVID-19 work restrictions eased, returns for CUI are expected to increase in FY2023.

The division continued to diversify its fixed-line customer base by securing Axicom as a new key wireless strategic client.

The governments continued investment into the nbn network will be a key target area for the division going forward whilst pursuing further diversification into the Wireless and Smart Metering growth markets.



Telecommunications customer equipment installation and testing.

BSA | CUI

\$244.1 million

Revenue

FY2021 \$211.1million

\$8.1 million

EBITDA

FY2021 \$16.9million

*pre-significant items

KEY AREAS OF FOCUS FOR FY2023 INCLUDE:

- Optimising and organically growing existing fixed line platinum customer base;
- Expanding our Wireless customer base by capitalising on our SAED and Build capabilities;
- Expanding our Smart Metering customer base;
- Retaining our people to maintain our competitive advantage;
- Continuing to lead the market with our Customer Experience Program; and
- Implementing robust cost containment initiatives to mitigate cost pressures from global and local market forces.



NBN network activation and assurance services in Victoria and New South Wales.

Advanced Property Solutions (APS)

In FY2022, BSA | Advanced Property Solutions ("APS") consolidated on structural changes made in the prior year, and accelerated the focus on business development, improving our win rate by over 10 percentage points and developing our pipeline to contain over \$700m in active opportunities.

APS full year revenue increased by \$10.9m despite the continued impact of the COVID-19 pandemic on our service business' customers, especially in the tertiary education and retail sectors. Coupled with the increase in overhead structures implemented pre-COVID-19, these significantly affected profitability for the division, resulting in a \$4.0m EBITDA loss for FY2022 (vs \$9.4m EBITDA profit in FY2021 – FY21 includes Jobkeeper benefits).

We continue to right-size the overhead structure to address operating performance.

Key new clients and projects for the year are outlined below.

NEW SERVICE CONTRACTS

- NT Government – HVAC/Mechanical Services for Group 7 facilities (NT)
- VIC/NSW Corrections, Honeywell – Mechanical and Fire Service (VIC/NSW)
- I-MED Radiology Network – Mechanical Services (VIC, QLD, SA, TAS, NT and WA)
- Sydney Catholic Schools – Mechanical Services (NSW)

These new service contracts help to cement APS' credentials as a true multi-service provider nationally, being able to provide our customers with a one-stop shop for maintenance and optimisation of all their facility's hard assets. Combined with this service capability and footprint, the following new projects wins and completed projects will further support building the installed base of service customers for APS.

NEW CONSTRUCTIONS AND PROJECTS

- Perth Centre for National Resilience, Multiplex – Fire Detection/Suppression, HVAC/Mechanical, and Building Management Systems/BMS (WA)
- ALDI BMcS Project, Aldi – Building Management Control Systems across the Aldi portfolio of over 500 Australian stores (National)
- Southern Queensland Correctional Precinct Stage 2, John Holland Group – Fire Detection and Suppression (QLD)
- 101-121 Castlereagh St, Scentre Group – HVAC/Mechanical Upgrade (NSW)
- Bendigo Health, ADCO Construction – HVAC/Mechanical and Fire Detection (VIC)
- SYD066 Data Centre, Hutchinson Builders – Fire Detection and Suppression (NSW)
- NextDC M2 Stage 3 Data Centre, Capitol Group – HVAC/Mechanical (VIC)
- RAAF Tindal, Barpa – HVAC/Mechanical, Fire Detection/Suppression, and BMS (NT)

We have successfully completed various projects during the year, including:

- 80 Anne Street, Mirvac – Fire Detection and Suppression (QLD)
- Grosvenor Place – Central Energy Plant Upgrade (NSW)
- HMAS Cerberus, BARPA – HVAC building refurbishment and upgrade (VIC)
- Sydney University Engineering Faculty, Laing O'Rourke – Fire Detection and Suppression (NSW)
- Paramatta Square, Built – Fire Detection and Suppression (NSW)

Looking forward, FY2023 will see APS continue the focus on growth through projects, while further streamlining the service business, and leveraging our significant BMS/IoT capability. This will allow APS to provide services to our customers which reduce their overall costs, by optimizing equipment uptime and reducing reactive service requirements.

BSA | APS

\$222.3 million

Revenue

FY2021 \$211.4million

\$(4.0) million

EBITDA

FY2021 \$9.4million

*pre-significant items

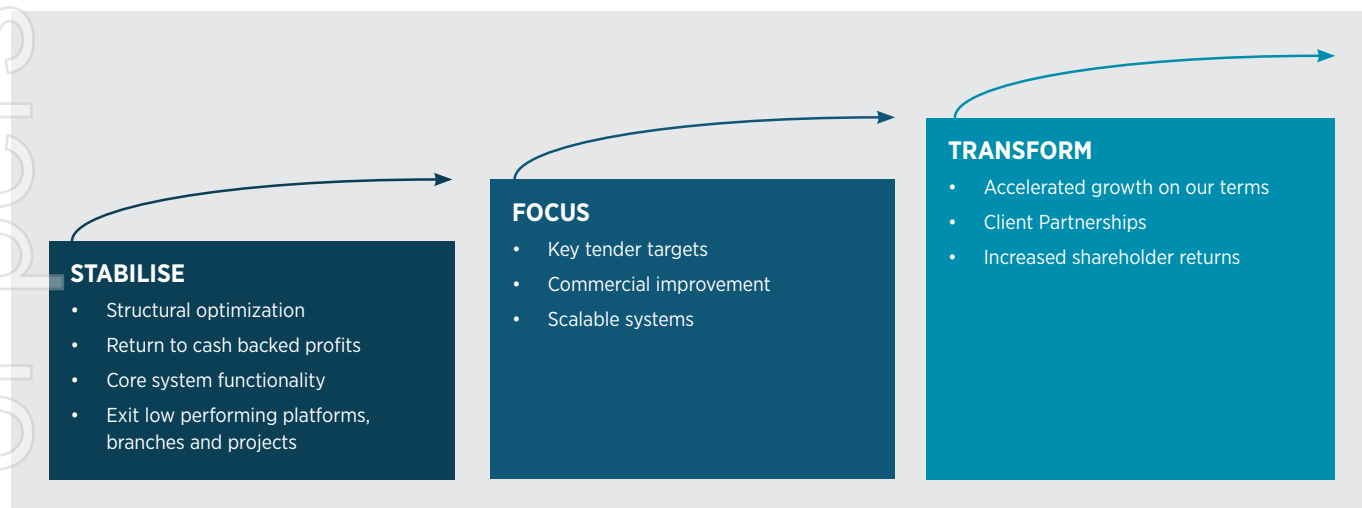
Design and construction of fire suppression systems at the new Sydney Football Stadium for John Holland.



OUTLOOK AND GROWTH

In April the Group removed its previous guidance of \$750m revenue at minimum 5% EBITDA margin by FY2024. While we have stepped back from our outer market goal, this does not diminish the ambitions of the Group to improve financial performance. We have taken the necessary measures to reduce cost base to appropriately match forecasted revenue and focus on cash conversion initiatives to maximise free cash flow.

This will provide BSA with the necessary platform to achieve future growth. The Group has implemented a three horizon view to its strategic journey, which has been embraced by all stakeholders:



CONCLUSION

Despite the challenging year, there are signs that the Group is heading in a positive direction. The last quarter of FY2022 has shown a steady return to profitability and there is a high level of engagement across the business.

Thank you to our supportive shareholders and we look forward to making further progress in FY2023.

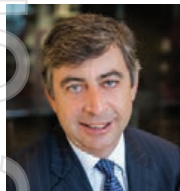
Arno Becker
Interim CEO | 23 August 2022

DIRECTORS' REPORT

THE BOARD OF DIRECTORS PRESENTS ITS REPORT

The Directors of BSA Limited (the 'Company') present their report on the Company and its subsidiaries (the 'Group' or 'BSA') for the financial year ended 30 June 2022.

THE BOARD OF DIRECTORS AS AT 30 JUNE 2022 AND AT REPORTING DATE



NICHOLAS YATES

INTERIM CHAIR AND NON-EXECUTIVE DIRECTOR

Mr Yates graduated with a Bachelor of Engineering (Mechanical) from the University of Sydney and went on to forge an extensive career in the construction, building services and facilities management industries. Commencing as a site engineer overseeing mechanical services installations, Nicholas then progressed through various management roles within Lend Lease and eventually moved on to become CEO of APP Corporation Pty Limited, Australia's leading Construction Project Management consulting business. When APP was acquired by Transfield Services, Nicholas moved into a series of leadership roles within Transfield Services, most recently Chief Executive Officer, Infrastructure ANZ. Nicholas sits on the Boards of a number of listed and private companies. He was appointed Managing Director and Chief Executive Officer of BSA on 13 March 2014 and retired from that position on 9 March 2020. Nicholas remains on the Board as a Non-executive Director. On 29 March 2022, Nicholas was appointed as Interim Chair of the BSA Board.

Nicholas was appointed as a Non-executive Director of Saunders International Limited (ASX:SND) on 16 September 2020. As at 30 June 2022 and at reporting date Nicholas is a member of the Remuneration Committee and holds 4,753,483 shares and 500,000 options in BSA (nil rights).



DAVID PRESCOTT

NON-EXECUTIVE DIRECTOR

Mr Prescott is the founder, Managing Director and Portfolio Manager of Lanyon Asset Management, a value-oriented equities fund manager. He has over 20 years investing and financial analysis experience working for firms in Australia and the UK. David was previously Head of Equities at institutional fund manager, CP2 (formerly Capital Partners). David has an Economics degree from the University of Adelaide, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA) and is a CFA Charterholder. David was appointed as a Non-executive Director on 3 June 2019. As at 30 June 2022 and at reporting date David is the Chairman of the Remuneration Committee and is the Managing Director and Portfolio Manager of Lanyon Asset Management which holds 128,272,954 shares and 30,614,070 options in BSA (nil rights).



CHRISTOPHER HALIOS-LEWIS

NON-EXECUTIVE DIRECTOR

Mr Halios-Lewis has over 20 years accounting and financial experience in auditing, public practice and industry. He is currently Chief Financial Officer and member of the executive team of the WIN Group and Birketu Pty Limited. Christopher is heavily involved with strategy and business development, sits on a number of Boards as a director and is Company Secretary for all WIN and Birketu companies and Illawarra Community Foundation. Christopher is a member of the Finance Committee of Free TV and director of Wollongong Wolves Football Club. Christopher was appointed as a Non-executive Director on 2 September 2019.

As at 30 June 2022 and at reporting date Christopher is a member of the Audit Committee and is Chief Financial Officer of Birketu Pty Limited which holds 96,114,870 shares and 22,939,110 options in BSA Limited (nil rights).



MICHELLE COX

NON-EXECUTIVE DIRECTOR
(Appointed 30 July 2021)

Mrs Cox is a professional Independent Non-executive Director and has held executive leadership roles in a variety of sectors with over 25 years' experience. Michelle has multi-national experience in marketing, communications, travel, tourism, hospitality and acquisitions. Previous appointments include Executive Director, Mergers and Acquisitions for Bastion Collective; Managing Director, Asia Pacific for STA Travel and General Manager Marketing for the APT Group. Implementing cultural and strategic change while improving bottom-line results and motivating teams to peak performance are areas of particular strength. Michelle is also an award winning author, podcast host and ceramist - her creative endeavours found under the business called The Wabi Sabi Series. Michelle has an Associate Diploma in Applied Science (Victoria University) and is a Graduate of the Australian Institute of Company Directors.

Michelle is currently a Non-executive Director on the board of tourism adventure company Experience Co (ASX:EXP) (appointed 1 January 2020), has held a Director role on the Board of Tourism Tasmania for the past seven years and continues to be a shareholder in the tourism marketing consultancy firm The Linchpin Company.

Upon her appointment as a Non-executive Director on 30 July 2021 and as at reporting date Michelle held nil shares, options or rights in BSA Limited and is a member of the Audit Committee.



BRENDAN YORK
NON-EXECUTIVE DIRECTOR
(Appointed 16 November 2021)

Mr York is a Chartered Accountant and a Bachelor of Business Administration and Commerce. He has over 18 years of managerial, accounting and reporting expertise in Executive and Non-executive roles, with experience in accounting, marketing services, building products and funds management industries. Currently, Brendan is a portfolio manager for NAOS Asset Management Limited and most recently was the Chief Financial Officer and Company Secretary of Enero Group Limited (ASX: EGG). Brendan is a Non-executive Director of Big River Industries Limited (ASX:BRI) and a Non-executive Director and Chair of the Audit Committee for Wingara AG Limited (ASX:WNR).

As at 30 June 2022 and at reporting date Brendan is the Chairman of the Audit Committee and is a Portfolio Manager of NAOS Asset Management which holds 195,440,707 shares and 57,120,458 options in BSA (nil rights).



DIRECTOR INDEPENDENCE

The Board considers one of BSA's current Directors independent, as defined under the guidelines of the ASX Corporate Governance Council, being: Michelle Cox. While this results in a majority of Directors not being independent, the Board believes the current composition of the Board is fit for purpose and also has material shareholder representation.

In assessing the independence of Directors, the Board follows the ASX guidelines as set out in the Corporate Governance Statement on the Group's website.

PERFORMANCE OF DIRECTORS

In accordance with Principle 1.6 of the ASX Corporate Governance Principles and Recommendations, the Board conducts a review of the performance of its Directors and the Board's function as a whole each year. The evaluation of Directors is carried out in accordance with the process established by the Board, led by the Chairman of the Remuneration Committee.

COMPANY SECRETARY

Mr Graham Seppelt held the role as the Company Secretary for the entire year and has extensive experience as a contract accountant and in corporate advisory roles. He is currently Company Secretary for Erinbar Limited and Bioclenz Technologies Limited.

ENVIRONMENTAL REGULATION AND PERFORMANCE

BSA was not subject to any particular or significant environmental regulations of the Commonwealth, individual states, or territories, during the financial year.

CORPORATE GOVERNANCE

BSA continued to follow best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Company's website at www.bsa.com.au/about/corporate-governance.

REVIEW OF OPERATIONS

Information relating to the operations of BSA including a description of principal activities, a review of operations, significant changes in activities and affairs during the year and likely future developments and prospects can be found in the Chairman's Report and CEO's Report.



CONTENTS - REMUNERATION REPORT

SECTION 1.	OVERVIEW OF THE REMUNERATION REPORT
SECTION 2.	ADDRESSING THE FY2021 REMUNERATION REPORT STRIKE
SECTION 3.	REMUNERATION GOVERNANCE
SECTION 4.	REMUNERATION POLICY
SECTION 5.	INCENTIVE PLAN OPERATION
SECTION 6.	BUSINESS PERFORMANCE AND AT-RISK REMUNERATION OUTCOMES
SECTION 7.	FY2022 AT-RISK REMUNERATION OUTCOMES
SECTION 8.	KMP SERVICE AGREEMENTS
SECTION 9.	FY2022 REMUNERATION OUTCOMES
SECTION 10.	OTHER STATUTORY DISCLOSURES

1. OVERVIEW OF THE REMUNERATION REPORT

The Directors present the Remuneration Report for the Company and its controlled entities (the 'Group' or 'BSA') for the year ended 30 June 2022 ('FY2022'). This report forms part of the Directors' Report and has been audited in accordance with section 308(3C) of the Corporations Act 2001 and Australian Accounting Standards. The report sets out the remuneration arrangements for the Group's Key Management Personnel ('KMP'), comprising its Non-executive Directors ('NED'), Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO'), who together have the authority and responsibility for planning, directing and controlling the activities of the Group.

The KMP of BSA in FY2022 are listed below.

Name	Position	Term as KMP in FY2022
Non-executive Directors		
Nicholas Yates	Interim Chair and Director	Interim Chair - Commenced 3 March 2022 Director - Full year
David Prescott	Director	Full year
Christopher Halios-Lewis	Director	Full year
Michelle Cox	Independent Director	Commenced 30 July 2021
Brendan York	Director	Commenced 16 November 2021
Group Executive		
Arno Becker	Interim Chief Executive Officer and Chief Financial Officer	Interim Chief Executive Officer - Commenced 15 April 2022 Chief Financial Officer - Full year
Former KMP		
Michael Givoni	Independent Non-Executive Chair	Retired 3 March 2022
Paul Teisseire	Independent Non-Executive Director	Retired 16 November 2022
Timothy Harris	Chief Executive Officer (Executive Director)	Ceased role 29 April 2022

For the remainder of this report the CEO and CFO are referred to as KMP.

2. ADDRESSING THE FY2021 REMUNERATION REPORT STRIKE

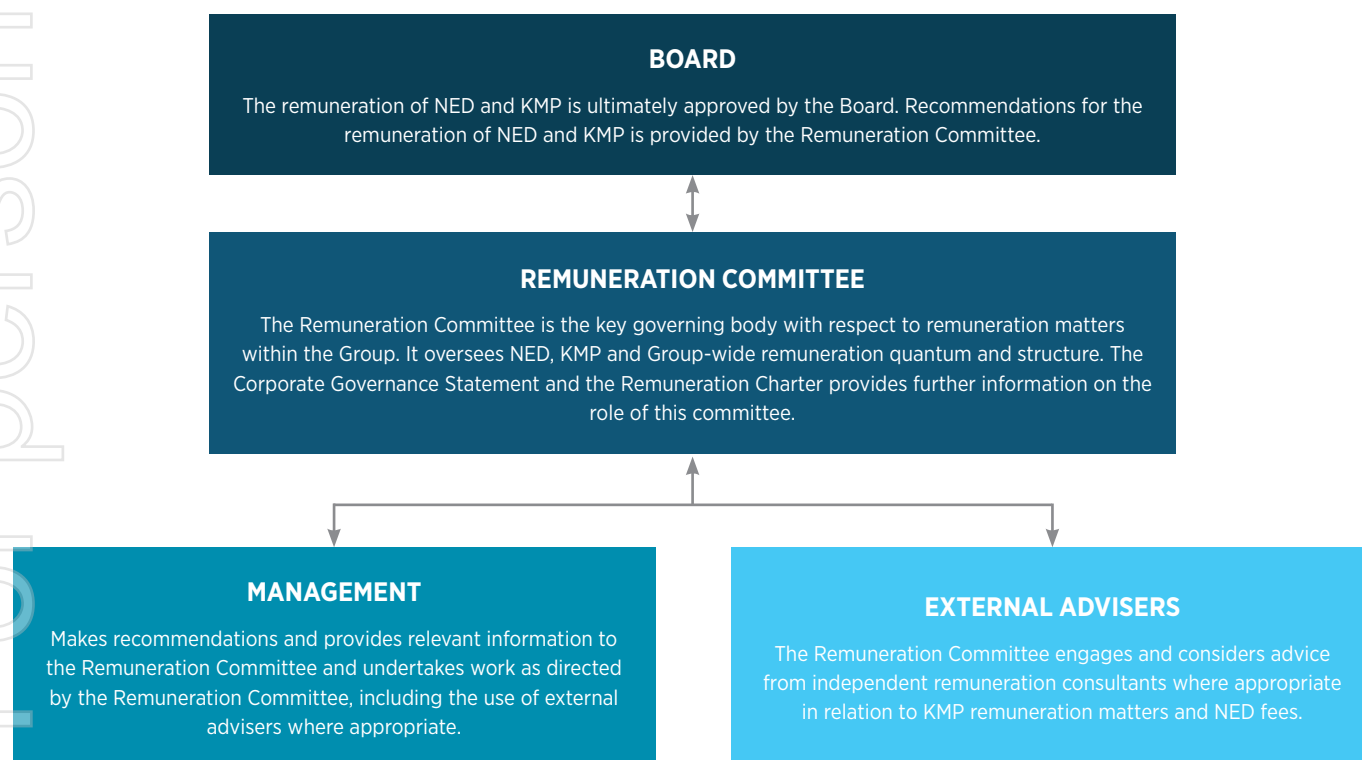
In accordance with the Corporations Act, the Group is required to gain at least 75.0% approval for the annual Remuneration Report at the Annual General Meeting ('AGM'). The FY2021 Remuneration Report was presented at the 16 November 2021 AGM and received a 40.6% approval vote.

The KMP have held meetings with major shareholders since the AGM to address concerns raised, including the linkage between current financial year performance and KMP remuneration outcomes, the existing Class Action, restoration of profitability and capital management of the Group. To address this, in FY2022 the Group has focused on a number of strategic objectives including:

- a resolution to the Class Action provisionally settled in February 2022 which the Board believes was in the best commercial interests of the Group's shareholders;
- a significant reduction to the current cost base of the business to better align against current revenue generation and delivery of margin;
- a \$13.5m before costs, capital raise in April 2022 to provide necessary working capital for the Group and underpin its financial position;
- the rotation of the Board including Nicholas Yates being appointed as Interim Chair following Michael Givoni's retirement as a Director, the appointment of a new Independent Non-Executive Director Michelle Cox and the appointment of Brendan York as a Naos Asset Management (the Group's largest shareholder) nominee Non-Executive Director;
- the commencement of a search for a new CEO following the resignation of Tim Harris in April 2022; and
- retention of key revenue generating employees in both the CUI and APS divisions.

The Board believes the above actions were all necessary steps to give management the best possible chance of future success for the Group and that this strongly aligns remuneration to shareholder returns. The Board is comfortable that the existing remuneration framework serves the right purpose of incentivising management to drive future growth. As noted in section 7 the FY2022 at-risk remuneration outcomes for KMP are nil and are reflective of the weaker financial performance of the Group in FY2022.

3. REMUNERATION GOVERNANCE



During the year, no remuneration recommendations as defined in section 9B of the Corporations Act 2001 were provided. There were no remuneration consultants used during the year.

REMUNERATION REPORT

4. REMUNERATION POLICY

As outlined in section 3 the Remuneration Committee oversees the structure and quantum of NED and KMP remuneration. Key principles involved in the determination of structure and quantum of the NED and KMP framework are outlined below.

Non-executive Directors

Principle	Application
Competitiveness and reasonableness	NED remuneration reflects the demands that are made of the Directors and their responsibilities. The Chair's fees are determined independently to the fees of other NEDs. All fees are based on the Director's experience and comparative roles in the external market. The Chair is not present at any discussions relating to determination of their remuneration.
Shareholder alignment	NED fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$750,000 per annum and was last approved by shareholders at the AGM on 16 November 2021.
Performance linkage of compensation	NED remuneration is not linked to the Group's financial performance as variable remuneration is not consistent with the principles of remuneration for those acting in a role of oversight and governance. NEDs receive fixed remuneration which includes fees and statutory superannuation and are not eligible for any other retirement schemes or benefits. The NEDs are entitled to participate in the Non-executive Director Fee Sacrifice Equity Plan ('NED Plan') as outlined in section 5.
Transparency	The current base remuneration for NED was last reviewed and determined on 26 June 2012. NED fees include the requirement to sit on at least one Board committee for the duration of their tenure. No additional fees are payable in relation to Chairing of the Audit & Risk Committee or the Remuneration Committee. A Director's expected time commitment is a minimum ten hours per month.

Non-executive Director Role	Fees \$	Superannuation \$	Total \$
Chair	155,299	15,530	170,829
Other Non-executive Directors	83,236	8,324	91,560

Key Management Personnel

The KMP, along with NEDs have the authority and responsibility for planning, directing and controlling the activities of the Group. The Group's remuneration framework for KMP reflects the following key principles:

Principle	Application
Competitiveness and reasonableness	<p>Remuneration structures and quantum are designed to address the following key drivers of competitiveness and reasonableness:</p> <ul style="list-style-type: none"> • Rewards capability and experience: remuneration quantum and mix is reviewed from time to time for market competitiveness given the nature of the roles and experience of the KMP's undertaking those roles. • Reflects competitive reward for contribution to financial performance: primary driver of target variable at-risk remuneration is Group financial performance. • Provides a clear structure for earning rewards: Key Performance Indicators ('KPIs') are clearly defined and approved by the Remuneration Committee, with any variable at-risk reward paid (including any discretionary award) approved by the Remuneration Committee. • Provides recognition for contribution: Fixed Remuneration comprises 84% of KMP remuneration to reflect baseline expectations of the role with target variable at-risk remuneration of 16% in recognition of expectations of strong performance against KPIs.
Shareholder alignment	<p>Remuneration structures and quantum are designed to address the following key drivers of shareholder alignment:</p> <ul style="list-style-type: none"> • Achievement of target financial profit as a core component of performance reward: payment of any variable at-risk remuneration is based on a Group financial performance gateway. • Focusing each executive on key performance metrics relevant to the role: KPIs are clearly defined and approved by the Remuneration Committee, with any variable at-risk reward paid (including any discretionary award) approved by the Remuneration Committee. • Attracts and retains high calibre executives: remuneration quantum and mix is reviewed from time to time for market competitiveness given the nature of the roles and experience of the KMP's undertaking those roles. In addition, Deferred Incentives include retention requirements for up to three years from the commencement of the financial year on which the at-risk variable reward is determined.

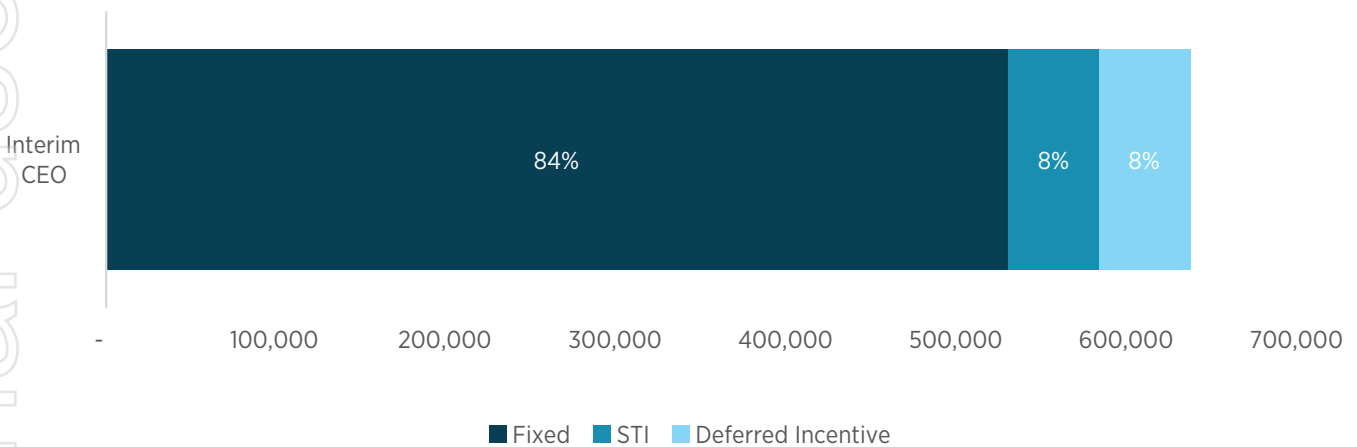
Performance linkage of compensation

Remuneration structures and quantum are designed to address the following key drivers of performance linkage of compensation:

- **Achievement of target financial profit as a core component of performance reward:** payment of any target variable at-risk remuneration is based on a Group financial performance gateway.
- **Focusing each executive on key performance metrics relevant to the role:** KPIs are clearly defined and approved by the Remuneration Committee, with any variable at-risk reward paid (including any discretionary award) approved by the Remuneration Committee.
- **Provides recognition for contribution:** Fixed Remuneration comprises 84% of KMP remuneration to reflect baseline expectations of the role with target variable at-risk remuneration of 16% in recognition of expectations of strong performance against KPIs.

As a result of the above principles and framework the continuing KMP target remuneration is as follows:

KMP Target Remuneration



The components of KMP target remuneration are outlined below.

Component	Description
Fixed	Fixed remuneration is structured as a total employment cost package which may be delivered as a combination of cash, post-employment benefits (superannuation), and prescribed non-financial benefits at the KMP discretion. KMP are offered a base pay that is reviewed annually to ensure it is competitive with the market and reflects the responsibilities of the position. There are no guaranteed base pay increases included in the KMP terms of employment. All KMP receive statutory superannuation benefits which are included in their fixed remuneration.
STI	<p>KMP remuneration includes participation in the BSA Performance Reward Plan ('PRP'), an incentive based on achievement of KPIs across safety, financial, people and customer metrics for the Group. An Earnings Before Interest and Tax ('EBIT') Gateway must be achieved to trigger payments under the plan to ensure variable at-risk reward is only available when value has been created for shareholders. The Remuneration Committee is responsible for assessing whether the targets are met. Targets are set at the beginning of each financial year and are set for the year. Incentive payments are adjusted in line with actual performance versus target performance levels.</p> <p>The PRP incentive is comprised of two components:</p> <ul style="list-style-type: none"> • Short Term Incentive ('STI') which is paid to the KMP in cash after the final audited results on which the EBIT is calculated have been released in the Annual Report, and • Deferred Incentive, which is outlined below. <p>Actual outcomes of the PRP incentive plan operations are outlined in section 6.</p>
Deferred Incentive	<p>To the extent an incentive is awarded to the KMP under the PRP outlined above, 50% of the incentive is paid in cash and the remainder is awarded via a Deferred Incentive. This Deferred Incentive is subject to a service condition of 24 months (two financial years after the end of the year in respect of which the award is calculated), i.e. for those incentives based on FY2022 performance, the KMP must remain employed by the Group until at least the end of FY2024 to receive the full award.</p> <p>The Deferred Incentive is primarily via an issue of Service Rights which convert to shares once the KMP has met the service vesting conditions. These Service Rights are governed by the BSA Limited Rights Plan Rules. Under the Plan rules the Remuneration Committee retains discretion to award the Deferred Incentive as either cash or as Service Rights.</p> <p>Actual outcomes of the PRP incentive plan operations are outlined in section 6.</p>

The Remuneration Committee retains the ability to pay a discretionary award with any award made under discretionary considerations outlined in section 5.

REMUNERATION REPORT

5. INCENTIVE PLAN OPERATION

Employee Performance Rights Plan

The BSA Performance Reward Plan ('PRP') provides KMP the opportunity to earn an incentive that is contingent upon performance against a combination of agreed financial and non-financial performance targets, which are set by the Board in consultation with the CEO at the start of each financial year.

Feature	Description											
Delivery	Delivered as a combination of cash (50%) and deferred equity (50%).											
Performance period	Annual financial year, 1 July to 30 June the following year.											
Eligibility	The KMP participate in the PRP. Various other senior management within the Group are also eligible for the PRP.											
Reward opportunities	The PRP opportunities for the Interim CEO are outlined below:											
	<table><tr><th>Performance level</th><th>% Fixed Remuneration</th></tr><tr><td>Below threshold</td><td>nil%</td></tr><tr><td>Threshold</td><td>16%</td></tr><tr><td>Target</td><td>20%</td></tr><tr><td>Maximum</td><td>24%</td></tr></table>	Performance level	% Fixed Remuneration	Below threshold	nil%	Threshold	16%	Target	20%	Maximum	24%	
	Performance level	% Fixed Remuneration										
	Below threshold	nil%										
	Threshold	16%										
Target	20%											
Maximum	24%											
The above reward opportunity is split 50% cash paid within 4 months of the end of the financial year and 50% issued as deferred Service Rights which vest into shares two financial years after the end of the year in respect of which the award is calculated, subject to the KMP meeting the service vesting conditions.												
Performance measures	A Board approved Earnings Before Interest and Tax ('EBIT') Gateway ('Group Budget') must be achieved to trigger any payments under the PRP. These metrics are as follows:											
	<table><tr><th>Threshold</th><th>PRP bonus available (% of target available for assessment against KMP KPIs)</th></tr><tr><td>Below 90% Group budgeted EBIT</td><td>nil%</td></tr><tr><td>90% Group budgeted EBIT</td><td>80%</td></tr><tr><td>100% Group budgeted EBIT</td><td>100%</td></tr><tr><td>120% Group budgeted EBIT</td><td>120%</td></tr></table>	Threshold	PRP bonus available (% of target available for assessment against KMP KPIs)	Below 90% Group budgeted EBIT	nil%	90% Group budgeted EBIT	80%	100% Group budgeted EBIT	100%	120% Group budgeted EBIT	120%	
	Threshold	PRP bonus available (% of target available for assessment against KMP KPIs)										
	Below 90% Group budgeted EBIT	nil%										
	90% Group budgeted EBIT	80%										
	100% Group budgeted EBIT	100%										
	120% Group budgeted EBIT	120%										
	Once the EBIT gateway is met and scaled as noted above, a participant's individual PRP award is determined based on individual KPIs. For the KMP these KPIs are as follows:											
<table><tr><th>KPI</th><th>Interim CEO / CFO Weighting (%)</th></tr><tr><td>Safety: site visits and inspections and incident deep dives</td><td>10%</td></tr><tr><td>Financial: Group EBIT</td><td>35%</td></tr><tr><td>Financial: Cash Conversion</td><td>15%</td></tr><tr><td>People: Retention and engagement</td><td>10%</td></tr><tr><td>Other project specific individual KPIs</td><td>30%</td></tr></table>	KPI	Interim CEO / CFO Weighting (%)	Safety: site visits and inspections and incident deep dives	10%	Financial: Group EBIT	35%	Financial: Cash Conversion	15%	People: Retention and engagement	10%	Other project specific individual KPIs	30%
KPI	Interim CEO / CFO Weighting (%)											
Safety: site visits and inspections and incident deep dives	10%											
Financial: Group EBIT	35%											
Financial: Cash Conversion	15%											
People: Retention and engagement	10%											
Other project specific individual KPIs	30%											
Deferred Incentive vesting criteria	The deferred Service Rights are conditional and only vest if the KMP remains employed by the Group up to and including two financial years after the end of the year in respect of which the award is calculated (i.e. for FY2022 deferred service rights the KMP is required to be employed up to and including 30 June 2024).											
Valuing deferred awards	The number of Service Rights issued to participants is calculated by dividing 50% of the PRP award dollar value by the volume weighted average price ('VWAP') of the Group's ordinary shares over the 10 trading days subsequent to the release of the Annual Report for the relevant financial year on which the PRP outcomes was determined.											
Board discretion	The Board may exercise discretion to adjust the PRP outcomes to more appropriately reflect the performance of the Group. The Board also retains discretion to adjust vesting outcomes in any circumstances to ensure they are appropriate.											

Non-executive Director Fee Sacrifice Equity Plan

The Non-executive Director Fee Sacrifice Equity Plan ('NED Plan') purpose is to:

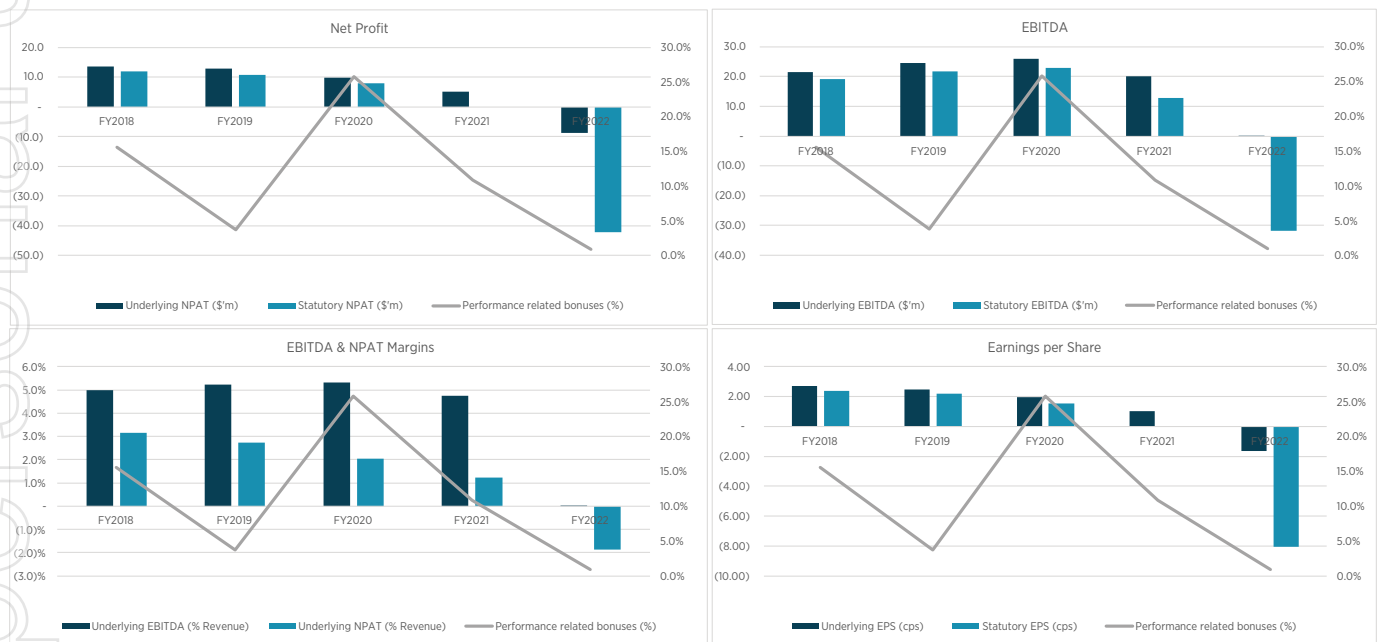
- facilitate the acquisition of equity in the Group by NEDs serving on the board because it aligns their interests with shareholders,
- preserve the independence of NEDs by ensuring that NEDs participate in a separate equity plan from the employee BSA Limited Rights Plan for which the NEDs set vesting conditions, and
- overcome the challenges faced by NEDs in acquiring equity on-market due to governance and regulatory issues in a manner that is intended to demonstrate good governance.

The NED Plan allows for eligible NEDs, subsequent to AGM approval, to sacrifice a portion of their NED fees for an equivalent number of deferred Rights which convert into shares of the Group. The deferred Rights are issued within 30 days of the NED application and convert to shares 90 days after the issue of the deferred Rights. The shares are held in the NEDs name and are restricted from trading until the earlier of 15 years from grant date or the date the NED no longer serves on the Board of the Group.

As the NED Plan allows for the sacrifice of NED fixed remuneration for a fixed value of shares this plan is considered a type of fixed remuneration share-based payment.

6. BUSINESS PERFORMANCE AND AT-RISK REMUNERATION OUTCOMES

The charts below show the Group's performance and percentage of Remuneration which was performance related in the five-year period ended 30 June 2022.



Other Group performance metrics over the last five years were as follows:

Financial Year	FY2018	FY2019	FY2020	FY2021	FY2022
Closing Share Price (\$)	0.305	0.325	0.300	0.325	0.069
Dividends declared per share (cents)	0.5	0.5	1.0	1.0	nil
Performance related bonuses (%)	15.6%	3.8%	25.8%	10.8%	0.9%

- Underlying and Statutory NPAT, EBITDA and Earnings per Share ('EPS') excludes the financial performance of discontinued HVAC Build operations.
- FY2018 to FY2021 EPS amounts have been restated to reflect the bonus issue impact of the Accelerated Non-Renounceable Entitlement Offer ('ANREO').
- Performance related bonuses are calculated as: performance related cash and share-based payments as a percentage of total KMP remuneration as disclosed in the Remuneration Report.
- Closing share price 30 June 2017: \$0.340.

REMUNERATION REPORT

As noted in the CEO Report and detailed in Section 2 of this Remuneration Report, FY2022 has involved the management and resolution of significant legacy issues related to the Class Action, navigation of the on-going impacts of the COVID-19 pandemic and resulting impacts on the economic, political and public health environment. The consequences of this have impacted the Group materially such that EPS pre significant items has declined to (1.07)cps. Despite this, the Board believes that historical business performance and in particular FY2022 is not reflective of the number of strategic objectives achieved during FY2022 which set up the Group for improved financial metrics in FY2023, a more resilient balance sheet and opportunities for growth.

7. FY2022 AT-RISK REMUNERATION OUTCOMES

FY2022 PRP outcomes

As noted in Section 5 the PRP plan includes a Group EBIT Gateway whereby at least 90% of Budgeted FY2022 EBIT must be achieved prior to the KMP's performance against their Board approved KPIs being assessed. In FY2022 the Group EBIT significant items of (\$7,392) thousand was below the 90% threshold and as such \$nil was payable with all the PRP incentive forfeited.

FY2022 Other KMP incentive outcomes

KMP other incentive outcomes below are based on current estimates, with final remuneration decisions to be made in September 2022 in accordance with the Group's standard performance remuneration reward cycles.

The FY2021 Remuneration Report reflected expected remuneration outcomes related to FY2021, with the KMP estimated to receive a discretionary incentive of 25% of their target PRP outcomes. The adjustment for actual payment related to the FY2021 period as well as the impacts of share-based payments issued in prior periods is recognised in the FY2022 Remuneration Report. These amounts are reflected in the key remuneration tables as follows:

Name	FY2022 Cash Bonus	Prior periods Cash Bonus ⁽¹⁾	FY2022 Share-based payments ⁽²⁾	Prior periods Share-based payments ⁽²⁾
Arno Becker	-	5,011	-	1,167
Timothy Harris	-	4,773	-	(1,262)

⁽¹⁾ This is the difference between the estimated FY2021 bonus payable as disclosed in the FY2021 Remuneration Report and the actual payment made in October 2021.

⁽²⁾ This is the portion of the share-based payment for which the three-year service condition has been met in FY2022.

FY2022 NED Plan outcomes

No transactions occurred in the NED Plan in FY2022.

8. KMP SERVICE AGREEMENTS

Name	Fixed Remuneration	Agreement term	KMP initiated notice	Group initiated notice	Redundancy
Arno Becker ⁽¹⁾	\$355,250	Rolling contract	3 months	3 months	Amounts required under applicable law

⁽¹⁾ The above fixed remuneration reflects Mr Becker's permanent role as CFO and does not include the additional \$175,000 per annum allowance related to his role as Interim CEO.

In the event of cessation of employment, a KMP's unvested PRP Deferred Incentive will ordinarily lapse if within the first twelve months of service post issue of the Incentive, will vest in a pro-rata basis for the subsequent twelve-month period and will not be forfeited if the KMP is made redundant. The intended vesting outlined above is subject to Board discretion which may be exercised in circumstances such as death, disability, retirement, redundancy or special circumstances.

REMUNERATION REPORT

9. FY2022 REMUNERATION OUTCOMES

2022	Short-term benefits		Post Employment	Long-term benefits	Share-based payments			
Name	Cash salary & fees	Cash Bonus	Superannuation	Long Service Leave	Rights	Rights	Total	Performance Related
	\$	\$	\$	\$	\$	%	\$	%
Non-executive Directors								
Nicholas Yates ⁽¹⁾	106,690	-	10,669	-	-	-	117,359	-
Christopher Halios-Lewis	83,236	-	8,324	-	-	-	91,560	-
David Prescott	83,236	-	8,324	-	-	-	91,560	-
Michelle Cox ⁽²⁾	76,468	-	7,647	-	-	-	84,115	-
Brendan York ⁽³⁾	51,817	-	5,182	-	-	-	56,999	-
Michael Givoni ⁽⁴⁾	104,042	-	10,404	-	-	-	114,446	-
Paul Teisseire ⁽⁵⁾	31,445	-	3,144	-	-	-	34,589	-
	536,934	-	53,694	-	-	-	590,628	-
Key management personnel								
Arno Becker ⁽⁶⁾	435,915	5,011	23,568	5,303	1,167	0.2%	470,964	1.3%
Timothy Harris ⁽⁷⁾	543,301	4,773	23,568	6,649	(1,262)	(0.2%)	577,029	0.6%
	979,216	9,784	47,136	11,952	(95)	(0.0%)	1,047,993	0.9%
Total	1,516,150	9,784	100,830	11,952	(95)	(0.0%)	1,638,621	0.6%

⁽¹⁾ Mr Yates commenced as Interim Chair on 3 March 2022 and received the Chair fee from this date and prior to this was a Non-executive Director for the full year.

⁽²⁾ Ms Cox commenced as a Non-executive Director on 30 July 2021.

⁽³⁾ Mr York commenced as a Non-executive Director on 16 November 2021.

⁽⁴⁾ Mr Givoni retired as Chair and a Non-executive Director on 3 March 2022.

⁽⁵⁾ Mr Teisseire retired as a Non-executive Director on 16 November 2021.

⁽⁶⁾ Mr Becker commenced as Interim CEO on 15 April 2022. Refer to Section 8 for further details on fixed remuneration arrangements both as CFO and Interim CEO.

⁽⁷⁾ Mr Harris ceased as CEO and an Executive Director on 29 April 2022.

2021	Short-term benefits		Post Employment	Long-term benefits	Share-based payments			
Name	Cash salary & fees	Cash Bonus	Superannuation	Long Service Leave	Rights	Rights	Total	Performance Related
	\$	\$	\$	\$	\$	%	\$	%
Non-executive Directors								
Michael Givoni ⁽¹⁾	83,136	-	14,548	-	70,000	41.7%	167,684	-
Christopher Halios-Lewis	83,616	-	7,944	-	-	-	91,560	-
David Prescott	83,616	-	7,944	-	-	-	91,560	-
Paul Teisseire	83,616	-	7,944	-	-	-	91,560	-
Nicholas Yates	83,616	-	7,944	-	-	-	91,560	-
Mark Lowe ⁽²⁾	33,952	-	3,225	-	-	-	37,177	-
	451,552	-	49,549	-	70,000	12.3%	571,101	-
Key management personnel								
Timothy Harris	706,252	52,500	21,694	8,483	68,088	7.9%	857,017	14.1%
Arno Becker	343,901	13,125	21,694	6,542	1,125	0.3%	386,387	3.7%
	1,050,153	65,625	43,388	15,025	69,213	5.6%	1,243,404	10.8%
Total	1,501,705	65,625	92,937	15,025	139,213	7.7%	1,814,505	7.4%

⁽¹⁾ Mr Givoni's NED Plan rights are not performance related but are the sacrifice of Director fees.

⁽²⁾ Mr Lowe retired on 25 November 2020.

REMUNERATION REPORT

10. OTHER STATUTORY DISCLOSURES

Movements in Rights

Movements in rights issued under the NED and PRP plans outlined in section 5 is presented below:

Name	Plan	Tranche	Grant Date	Vesting Date	Expiry Date	Balance at 30 Jun 2021 # Rights	Granted in FY2022 # Rights	Vested in FY2022 # Rights	Forfeited in FY2022 # Rights	Balance at 30 Jun 2022 # Rights	Fair value per Right \$	Total Fair Value \$
Timothy Harris	PRP Plan	FY2019	27 Nov 2019	30 Jun 2021	27 Nov 2034	495,616	-	(495,616)	-	-	0.385	-
Timothy Harris	PRP Plan	FY2020	25 Nov 2020	30 Jun 2022	25 Nov 2035	255,658	-	-	-	255,658	0.260	66,471
Arno Becker	PRP Plan	FY2020	25 Nov 2020	30 Jun 2022	25 Nov 2035	63,941	-	-	-	63,941	0.260	16,625
						815,215	-	(495,616)	-	319,599		

Rights are granted over ordinary shares and nil is payable upon exercise.

Movements in Options

Mr Yates in his capacity as a shareholder in the Group subscribed for 500,000 Ordinary Shares under the ANREO. Each Ordinary Share provided a free attaching Option. The Options allow the holder to acquire one ordinary share in the BSA Limited per Option for \$0.10 per share at any time between the Option grant date (11 May 2022) and expiry date (30 April 2025).

These 500,000 Options do not form part of Mr Yates remuneration.

Movements in Shares

Name	Balance at 30 Jun 2021 # Shares	Rights exercised # Shares	Acquired on-market # Shares	Other Transactions # Shares	Balance at 30 Jun 2022 # Shares	Balance at Report Date # Shares
Non-executive Directors						
Nicholas Yates ⁽¹⁾	4,253,483	-	-	500,000	4,753,483	4,753,483
Christopher Halios-Lewis ⁽²⁾	-	-	-	-	-	-
David Prescott ⁽³⁾	-	-	-	-	-	-
Michelle Cox ⁽⁴⁾	-	-	-	-	-	-
Brendan York ⁽⁵⁾	-	-	-	-	-	-
Michael Givoni ⁽⁶⁾	1,687,853	-	100,000	(1,787,853)	-	-
Paul Teisserie ⁽⁷⁾	680,012	-	-	(680,012)	-	-
Key management personnel						
Arno Becker	-	-	-	-	-	-
Timothy Harris ⁽⁸⁾	550,831	495,616	-	(1,046,447)	-	-
	7,172,179	495,616	100,000	(3,014,312)	4,753,483	4,753,483

⁽¹⁾ Other transactions includes shares acquired under the ANREO.

⁽²⁾ Mr Halios-Lewis is the Chief Financial Officer of Birketu Pty Limited which holds 96,114,870 shares and 22,939,110 options in BSA Limited at 30 June 2022.

⁽³⁾ Mr Prescott is the Managing Director and Portfolio Manager of Lanyon Asset Management which holds 128,272,954 shares and 30,614,070 options in BSA Limited at 30 June 2022.

⁽⁴⁾ Ms Cox commenced as a Non-executive Director on 30 July 2021 and held no shares in BSA Limited on her commencement.

⁽⁵⁾ Mr York commenced as a Non-executive Director on 16 November 2021 and held no shares in BSA Limited on his commencement. Mr York is a Portfolio Manager of NAOS Asset Management which holds 195,440,707 shares and 57,120,458 options in BSA Limited at 30 June 2022.

⁽⁶⁾ Ceased as Chair and a Non-executive Director on 3 March 2022, other transactions represents his shareholding at cessation date.

⁽⁷⁾ Ceased as a Non-executive Director on 16 November 2021, other transactions represents his shareholding at cessation date.

⁽⁸⁾ Ceased as CEO on 29 April 2022, other transactions represents his shareholding at cessation date.

OTHER MATTERS

Apart from the matters disclosed in the above no other transactions have been undertaken with NED or KMP or their related parties during the period.

End of audited Remuneration Report

MEETINGS OF DIRECTORS

The number of meetings of BSA's Board of Directors and each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Meetings Attended	Meetings Held during tenure in FY2022	Meetings Attended	Meetings Held during tenure in FY2022	Meetings Attended	Meetings Held during tenure in FY2022
Nicholas Yates	21	21	1	1	4	5
David Prescott	20	21	1	1	5	5
Christopher Halios-Lewis	21	21	3	3	2	3
Michelle Cox	21	21	3	3	1	1
Brendan York	16	16	3	3	*	*
Paul Teisseire	5	5	1	1	2	3
Timothy Harris	17	17	*	*	*	*
Michael Givoni	12	12	1	1	4	4

*Not a member of the relevant committees, but attended by invitation.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No Director, other than the Managing Director, may remain on the Board for more than three years without re-election. Where a Director is appointed during the year, the Director will hold office until the next Annual General Meeting (AGM) and then be eligible for election.

Paul Teisseire resigned as a Non-executive Director on 16 November 2021. Brendan York was appointed as a Non-executive Director on 16 November 2021. Michael Givoni retired as a Non-executive Director on 3 March 2022. Timothy Harris resigned as Managing Director on 29 April 2022. David Prescott and Chris Halios-Lewis are the Directors who have been longest in office and who, being eligible, offer themselves for re-election at the 2022 AGM.

INDEMNIFYING OFFICERS OR AUDITORS

During the year, the Company paid a premium for a contract insuring all Directors, secretaries, Executive officers and officers of the Company, and of each related body corporate of the Company. The insurance does not provide cover for the independent auditors of the Company, or of a related body corporate of the Company. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

No liability has arisen under this indemnity as at the date of this report.

OPTIONS

As at the date of this report, the unissued ordinary shares of the Company, under option, are as follows:

Grant Date	Date of Expiry	Exercise Price (cents)	Number under Option
11-May-22	30-Apr-25	10.0	134,364,003

RIGHTS

As at the date of this report, the unissued ordinary shares of the Company, under right, are as follows:

Grant Type	Grant Date	Date of Expiry	# Rights	Fair value at grant date (cents)
PRP Plan (SR)	27-Nov-19	26-Nov-34	37,092	38.5
PRP Plan (SR)	25-Nov-20	24-Nov-35	1,088,365	26.0
Total			1,125,457	

All rights outlined above have a \$nil exercise price. During the year ended 30 June 2022, nil rights were granted under the BSA Limited Employee Performance Rights Plan and 877,596 rights were exercised. During the year ended 30 June 2022, there were no rights granted under the BSA Limited NED Fee Salary Sacrifice Plan. Since 30 June 2022, 1,125,457 rights have been exercised. No person entitled to exercise the right had, or has, any right by virtue of the right to participate in any share issue of any other body corporate.

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company, or to 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 part, of those proceedings.

NON AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

Details of the amounts paid or payable to the auditor (Deloitte Touche Tohmatsu) for audit and non-audit services during the year are set out below.

The Board of Directors has considered the position and in accordance with the advice received from the Audit Committee, is satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditors own work, acting in a management or a decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

AUDITORS' REMUNERATION

	FY2022	FY2021
	\$	\$
Amounts due for the financial year to Deloitte Touche Tohmatsu for:		
Auditing or reviewing the financial report	482,635	383,000
Taxation services	115,000	129,335
Other non-audit services	17,000	15,000
	614,635	527,335

AUDITORS INDEPENDENCE DECLARATION

The lead auditors' independence declaration for the year ended 30 June 2022 as required under section 307c of the Corporations Act 2001 (Cth) has been received and can be found at the end of this Directors' Report.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.



Nicholas Yates
Interim Chair | 22 August 2022



AUDITOR'S INDEPENDENCE DECLARATION



Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
BSA Limited
Unit C4, Building C, Lidcombe Business Park
3-29 Birnie Avenue Lidcombe NSW 2141

23 August 2022

Dear Directors,

Auditor's Independence Declaration to BSA Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BSA Limited.

As lead audit partner for the audit of the consolidated financial report of BSA Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "LA De Rooij".

LA De Rooij
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

BSA LIMITED ABN 50 088 412 748

Consolidated Statement of Comprehensive Income	29
Consolidated Statement of Financial Position	30
Consolidated Statement of Changes in Equity	31
Consolidated Statement of Cash Flows	32

Notes to the Financial Statements

A	A1	Company information	33
	A2	Key considerations	33
	A3	Going Concern	34
B	B1	Segment information	36
	B2	Revenue	37
	B3	Other operating expenses	39
	B4	Income tax	41
	B5	Earnings per share	42
	B6	Cash flow information	43
C	C1	Trade and other receivables	44
	C2	Trade and other payables	45
	C3	Property, plant and equipment	46
	C4	Intangible assets	48
	C5	Provisions	50
D	D1	Financial liabilities	52
	D2	Equity	53
	D3	Contingent liabilities	55
	D4	Financial risk management	55
E	E1	Group companies	59
	E2	Parent entity financial information	60
	E3	Related party transactions	61
F	F1	Share-based payments	62
	F2	Restatement	64
	F3	Other accounting policies	65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 Restated ⁽¹⁾ \$'000
Revenue and other income	B2	466,360	422,546
Subcontractors and raw materials used		(380,913)	(320,918)
Employee benefits expense		(59,925)	(57,234)
Significant items	B3	(43,089)	(7,381)
Depreciation and amortisation expense		(7,503)	(10,034)
Finance costs		(1,583)	(2,091)
Other expenses		(25,411)	(24,259)
(Loss)/profit before income tax		(52,064)	629
Income tax benefit/(expense)	B4	9,822	(620)
(Loss)/profit for the period		(42,242)	9
Other comprehensive income for the period, net of tax		-	-
Total comprehensive (Loss)/Income for the period		(42,242)	9
		Cents	Cents
Earnings per share for profit from continuing operations:			
Basic earnings per share	B5	(8.057)	0.002
Diluted earnings per share	B5	(8.057)	0.002

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2 for more details.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$'000	2021 Restated ⁽¹⁾ \$'000
ASSETS			
Current assets			
Cash and cash equivalents		13,441	12,821
Trade receivables and other receivables	C1	58,695	66,611
Contract assets	B2	17,936	8,010
Inventories		1,104	1,450
Total current assets		91,176	88,892
Non-current assets			
Property, plant and equipment	C3	13,557	11,053
Intangible assets	C4	5,721	17,295
Deferred tax assets	B4	17,174	7,963
Total non-current assets		36,452	36,311
Total assets		127,628	125,203
LIABILITIES			
Current liabilities			
Trade and other payables	C2	60,911	61,001
Contract liabilities	B2	7,185	9,628
Borrowings	D1	11,500	-
Lease liabilities	D1	3,512	4,473
Current tax liabilities		-	847
Provisions	C5	20,938	12,526
Total current liabilities		104,046	88,475
Non-current liabilities			
Trade and other payables	C2	-	1,210
Lease liabilities	D1	7,285	4,745
Provisions	C5	23,389	6,663
Total non-current liabilities		30,674	12,618
Total liabilities		134,720	101,093
Net assets		(7,092)	24,110
EQUITY			
Issued capital	D2	114,530	100,861
Accumulated losses		(122,464)	(80,222)
Profit reserve		471	2,044
Share-based payment reserve		371	1,427
Total equity		(7,092)	24,110

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2 for more details.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2022

	Notes	Issued Capital \$'000	Accumulated Losses \$'000	Profit Reserve \$'000	Share-based Payment Reserve \$'000	Total Equity \$'000
Balance at 1 July 2020 ⁽¹⁾		100,390	(80,222)	6,368	1,368	27,904
Profit for the period ⁽¹⁾		-	-	9	-	9
Total comprehensive income for the period		-	-	9	-	9
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	D2	70	-	(4,333)	-	(4,263)
Issue of shares	D2	292	-	-	(167)	125
Share-based payment expense	F1	-	-	-	335	335
Transfers between reserves		109	-	-	(109)	-
		471	-	(4,333)	59	(3,803)
Balance at 30 June 2021		100,861	(80,222)	2,044	1,427	24,110
Balance at 1 July 2021 ⁽¹⁾		100,861	(80,222)	2,044	1,427	24,110
Loss for the period		-	(42,242)	-	-	(42,242)
Total comprehensive Loss for the period		-	(42,242)	-	-	(42,242)
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	D2	502	-	(2,173)	-	(1,671)
Issue of shares	D2	13,167	-	-	(323)	12,844
Share-based payment expense	F1	-	-	-	(133)	(133)
Transfers between reserves		-	-	600	(600)	-
		13,669	-	(1,573)	(1,056)	11,040
Balance at 30 June 2022		114,530	(122,464)	471	371	(7,092)

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2 for more details.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 Restated ⁽¹⁾ \$'000
Cash flows from operating activities			
Receipts from customers		483,064	441,395
Payments to suppliers and employees		(495,009)	(447,087)
Interest paid		(869)	(1,050)
Income taxes paid		(960)	(833)
Net cash (outflow) from operating activities	B6	(13,774)	(7,575)
Cash flows from investing activities			
Payments for acquisition of subsidiary		(302)	(1,493)
Payments for property, plant and equipment	C3	(908)	(1,636)
Payments for intangible assets	C4	(1,376)	(2,107)
Proceeds from sale of property, plant and equipment		265	2,892
Net cash (outflow) from investing activities		(2,321)	(2,344)
Cash flows from financing activities			
Repayment of borrowings		(2,735)	(5,910)
Principal elements of lease payments		(6,157)	(7,909)
Dividends paid	D2	(1,671)	(6,348)
Proceeds from issues of shares	D2	12,844	-
Proceeds from borrowings		14,236	5,161
Proceeds from repayment of executive loans		198	4
Net cash inflow / (outflow) from financing activities		16,715	(15,002)
Net increase / (decrease) in cash and cash equivalents		620	(24,921)
Cash and cash equivalents at the beginning of the financial year		12,821	37,742
Cash and cash equivalents at end of year		13,441	12,821

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2 for more details.

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



A1. COMPANY INFORMATION

BSA Limited ('the Company') and its controlled entities ('BSA' or 'the Group') is an Australian Securities Exchange (ASX) listed Company whose principal activities are focused on providing services across communications and utilities infrastructure and property solutions. BSA Limited is the ultimate parent company of the Group and is a for-profit listed company limited by shares, incorporated and domiciled in Australia.

The Company's principal place of business and registered office is Unit C4, Building C, Lidcombe Business Park 3-29 Birnie Avenue, Lidcombe NSW 2141

Financial statement characteristics

The financial statements have been approved and authorised for issue by the directors on 23 August 2022.

The financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB),
- include the assets and liabilities of all subsidiaries of the Company as at 30 June 2022 and the results of the subsidiaries for the year then ended. Inter-entity transactions with, or between subsidiaries are eliminated in full on consolidation,
- have been prepared on a historical cost basis, and
- are measured and presented in Australian dollars which is the Company's functional and presentation currency with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

Subsequent events

The Directors are not aware of any significant events since the end of the reporting period.

A2. KEY CONSIDERATIONS

In preparing the financial report certain judgements and estimates have been made by the Group. The material estimates and judgements applied in preparing the financial report are outlined in detail in the following notes:

Note	Key judgement or estimate
A3 Going Concern	Going concern basis
B2 Revenue	Estimates of the costs to complete construction contracts
B3 Other Operating Costs	Settlement of Class Action and Consequential impacts of the COVID-19 pandemic
B4 Income Tax	Recoverability of deferred tax balances
C4 Intangible Assets	Recognition of Software-as-a-Service Intangible Assets and Impairment of Goodwill
F2 SaaS Restatement	Restatement of capitalised intangibles on the adoption and implementation of SaaS IFRIC



ABOUT THIS REPORT

FOR THE YEAR ENDED 30 JUNE 2022

A3. GOING CONCERN

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

The review of operations reflects that the Group's current period performance has been significantly impacted by COVID-19 and settlement of the Class Action. This has resulted in the following for the year ended 30 June 2022:

- Current period net loss after tax of \$42,242 thousand (2021: \$9 thousand profit),
- Current period net operating cash outflow of \$13,774 thousand (2021: \$7,575 thousand operating cash outflow),
- Net deficiency of current assets of \$12,870 thousand (2021: \$417 thousand net current assets),
- Net asset deficiency of \$7,092 thousand (2021: \$24,110 thousand net assets),
- Cash and cash equivalents of \$13,441 thousand (2021: \$12,821 thousand), and
- Net cash of \$1,941 thousand (2021: \$12,821 thousand).

In considering the current period financial performance, financial position and liquidity, the following items have been reflected upon:

- \$23,474 thousand of the current period loss relates to settlement and legal costs associated with the defence and subsequent provisional settlement of the Class Action with settlement amounts paid and payable in three instalments in June 2022, June 2023 and June 2024 (refer to note B3 for further details),
- \$11,185 thousand of the current period loss relates to the non-cash impairment of goodwill related to the Fire Build CGU, which does not impact the Group's cashflow or going concern assessment. The reduction of EBITDA multiples for sales of similar businesses between the prior and current years' being a key driver of this impairment (refer to note C4 for further details),
- The Group recorded an EBITDA pre-significant items of \$2,137 thousand in the second half of FY2022, a \$4,163 thousand EBITDA improvement on the preceding half-year as economic factors progressively improve as a consequence of the impact of the COVID-19 starting to normalise. In the event that the extent and duration of restrictions and economic impacts of COVID-19 are greater than anticipated, the Group will be adversely impacted, and
- The Group has available, an undrawn short-term funding facility of \$32,000 thousand (as outlined in note D4) to draw as required for working capital purposes which has no financial covenants, but is subject to Review Events (driven by current period financial performance based on a pre-defined EBITDA measure). The Group has obtained conditional waivers with respect to Review Events embodied in actual and forecast financial position and performance by adjusting predefined EBITDA measures and other conditions attached to the waivers. The Review Event requirements have been modified for each of the quarters ending to 30 June 2023 with the forecast profitability in the model outlined below demonstrating that the Group will operate within the modified Review Event requirements over this period. The Review Event requirements will revert back to the original conditions for the quarter ending 30 September 2023 on a rolling 12 month EBITDA measure.

As a consequence of the above considerations, a cash flow, profitability and liquidity forecast ("forecast") has been prepared up to the date of the final Class Action payment (30 June 2024). The key considerations included in this forecast are as follows:

- An increase in revenue with the lifting of COVID-19 related restrictions with higher margin complimentary revenue (reactive work). Demand has been subdued over the past 24 months in most maintenance sectors with a significant backlog of delayed recurring service work,
- Increased gross margins as a result of product mix with the backlog of higher margin work, forecast margins are broadly in line with April to June 2022 actual gross margins,
- No further Class Action expenditure, with suitable provisions for the final settlement and related legal fees being made in the current period,
- Consistent working capital management and sufficient liquidity to pay obligations as and when they come due,
- No expected payment of dividends until the Class Action settlement payments are completed in June 2024,
- Based upon the cash flow projections, the Group will operate within the short-term funding facility limit outlined in note D4,
- The forecast has been tested for sensitivity to reasonably possible outcomes over the forecast period and for the financial performance and position between 30 June 2022 and the date of signing of this report, with no issues noted.

Based on the forecast, the Group will have sufficient financial performance, cash flows and liquidity for at least 12 months from the date of signing the financial report. Accordingly, the Directors have determined it is appropriate to continue to adopt the going concern basis in preparing this financial report.

ABOUT THIS REPORT

FOR THE YEAR ENDED **30 JUNE 2022**

A

However, if the Group is unable to achieve its cash flow forecast and is unable to obtain the continuing financial support of the lenders and shareholders, material uncertainty would exist that may cast significant doubt as to the ability of the Group to continue as a going concern and therefore, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. No adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.



B1. SEGMENT INFORMATION

Description of segments

The Group has two operating segments based upon the products and services offered by business units within each segment. The Group presents the below financial information to the Board of Directors on a monthly basis. The key segment performance measures are segment revenue and EBITDA. All of the Group's operating activities are in Australia.

The Group's reportable segments are as follows:

- **BSA | Communications & Utility Infrastructure (CUI):** provides services to the telecommunications, subscription television and utility industries. These services include the delivery of bundled services over fixed line and wireless networks, the installation of subscription television and the installation of smart meters, and
- **BSA | Advanced Property Solutions (APS):** provides the design, installation, maintenance and optimisation of building services for all hard assets in facilities and infrastructure, including: Fire Detection and Suppression, Mechanical Services, Heating, Ventilation, Air Conditioning, Refrigeration, Electrical, and Building Management Systems.

Segment performance is disclosed below.

	Note	Revenue and other income		Segment Profit/Loss	
		Year Ended		Year Ended	
		2022	2021	2022	2021 ⁽¹⁾
		\$'000	\$'000	\$'000	\$'000
Communications & Utility Infrastructure		244,099	211,157	8,055	16,961
Advanced Property Solutions		222,261	211,389	(3,997)	9,368
Corporate unallocated costs		-	-	(3,947)	(6,194)
Revenue and EBITDA pre-significant items results		466,360	422,546	111	20,135
Significant items	B3			(31,904)	(7,381)
Depreciation and amortisation expense				(7,503)	(10,034)
Significant item - Impairment of Goodwill ⁽²⁾				(11,185)	-
Earnings before interest and tax				(50,481)	2,720
Finance costs				(1,583)	(2,091)
(Loss)/Profit before tax from continuing operations				(52,064)	629
Income tax benefit/(expense)				9,822	(620)
(Loss)/Profit after tax from continuing operations				(42,242)	9

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2.

⁽²⁾ Includes \$11,185 thousand of impairment of goodwill related to the Advanced Property Solutions segment, classified as a significant item on the Statement of comprehensive income. Refer to note C4.

The Group has a number of customers to whom it provides both products and services. The Group supplies a single external customer in the CUI segment who accounts for 38% of external revenue (2021: 33%). The Group's next most significant customer is in the CUI segment and accounts for 8% of external revenue (2021: 9%).

B2. REVENUE

Key Estimates and Judgements: Revenue Recognition

Recognition of construction contract revenue and contract assets and liabilities involve the following key judgements and estimates:

- management estimates of the costs incurred to date as a percentage of the total costs required to complete the prescribed construction contract, this is used to determine the stage of completion and accordingly recognise revenue on that basis,
- modifications to the scope of the construction contract are recognised when the Group has an enforceable right to payment, revenue in relation to claims and variations is only included in the total contract value when the amount claimable becomes highly probable. Management uses judgement in determining whether an approved enforceable right exists, and
- Determining the amount of variable consideration requires an estimate based on either the “expected value” or the “most likely amount”. The estimate of variable consideration can only be recognised to the extent it is highly probable that a significant revenue reversal will not occur in the future.

Significant changes in the above estimates and judgements could have a material impact on the financial performance and position of the Group.

	2022 \$'000	2021 \$'000
Revenue	466,145	418,346
Other income ⁽¹⁾	215	4,200
Total revenue and other income	466,360	422,546

⁽¹⁾ Other income includes \$nil (2021: \$3,084) in relation to the gain on the surrender of right-of-use assets over the Figtree rental premises and sale and leaseback profit of \$131 thousand (2021: \$854 thousand). See note F3 for further information on the sale and leaseback.

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2022 \$'000	2021 \$'000
Current contract assets	17,936	8,010
Current contract liabilities	(7,185)	(9,628)
Net contract assets/(liabilities)	10,751	(1,618)

Revenue recognised in relation to contract liabilities

Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the period was \$9,628 thousand (2021: \$1,654 thousand). There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable. The revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control and the fair value of consideration receivable requires judgement.

Classification and recognition

Maintenance revenue

The Group performs maintenance services for a variety of different industries. This revenue stream is recognised on a basis consistent with when the related services are provided to the customer. Customers are in general invoiced on a monthly basis for an amount that is calculated on either a schedule of rates or a cost plus basis that are aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Installation revenue

The benefits from this category of work type do not transfer to the customer until the completion of the installation and as such revenue is recognised upon completion. Customers are in general invoiced on a monthly basis for an amount that is calculated on either a schedule of rates or a cost plus basis that are aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Construction revenue

The Group provides the design and installation of building services for commercial and industrial buildings including mechanical services, air conditioning, heating and ventilation, refrigeration and fire services. Contracts entered into may be for the construction of one or several separate inter-linked pieces of large infrastructure. The construction of each individual piece of infrastructure is generally taken to be one performance obligation. Where contracts are entered for the building of several projects the total transaction price is allocated across each project based on relative stand-alone selling prices. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria (variable consideration).

The performance obligation is fulfilled over time and as such revenue is recognised over time. As work is performed on the assets being constructed, they are controlled by the customer and have no alternative use to the Group, with the Group having a right to payment for performance to date. Generally, contracts identify various inter-linked activities required in the construction process. Revenue is recognised on an input basis. Revenue earned is typically invoiced monthly or in some cases on achievement of milestones or to match major capital outlay. Invoices are paid on normal commercial terms, which may include the customer withholding a retention amount until finalisation of the construction. Certain construction projects entered into receive payment prior to work being performed in which case revenue is deferred and recognised as a contract liability on the statement of financial position.

Other income

Primarily relates to gains on sales of property, plant and equipment or right of use assets. These gains are recognised as income when control of the underlying asset is transferred to the counterparty.

Measurement

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the relevant contract with the customer; identifies the performance obligations in the contract; determines the transaction price, which takes into account estimates of variable consideration and the time value of money (excluding credit risk); allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration

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 recognised when the uncertainty associated with the variable consideration is highly probable of being resolved. 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.

Contract Assets and Liabilities

When the contract value recognised to date (revenue less costs incurred) is greater than progress billings to the customer, the surplus is shown as Contract assets on the statement of financial position. For contracts where progress billings exceed the contract value recognised to date, the surplus is shown as Contract liabilities on the statement of financial position. Amounts billed for work performed but not yet paid by the customer are included in the statement of financial position as trade receivables.

Contract fulfilment costs

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

Loss making contracts

A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

B3. OTHER OPERATING EXPENSES

Key Estimates and Judgements:

Settlement of Class Action

On 9 February 2022, the Group advised that it had provisionally settled the class action proceedings filed on 24 July 2020 in relation to its contracting arrangements (specifically to its independent contractors and whether they are properly characterised as such). Subsequent to the reporting date, on 28 July 2022, the Federal Court has now approved the agreed terms of settlement. The settlement of the proceedings is without admission of liability.

The total costs incurred in relation to the Class Action settlement in 2022 are \$23,474 thousand and are comprised of the present value of the settlement amount of \$20,000 thousand and legal and professional fees incurred in relation to the defence and subsequent settlement of the matter.

The Class Action settlement sum of \$20,000 thousand is payable as following:

- \$4,400 thousand was paid by 30 June 2022,
- \$6,600 thousand is payable by 30 June 2023, and
- \$9,000 thousand is payable by 30 June 2024.

Settlement payments will be funded by current and future operating cash flows. The Group is restricted from paying dividends to the extent that any settlement amount is outstanding on the due dates noted above. Should the payments be made in accordance with the above, there is no restriction on the declaration or payment of dividends imposed by this settlement agreement.

Consequential impacts of the COVID-19 pandemic

As noted in the Chairman's Letter it was challenging to navigate the protocols and government restrictions particularly in the first half of 2022 which significantly affected both the CUI and APS businesses. Indirect impacts included project award delays, mobilization challenges and having to navigate control measures put in place to keep our employees, contractors and customers safe.

As a consequence, the expected profitability of the APS | Fire Build business for the 2023 period has been impacted by delays in awards of new contracts and by market instability impacting the EBITDA multiples at which comparable businesses have been sold for in the most recent financial year. The combination of these factors has resulted in the impairment of \$11,185 thousand of goodwill associated with the Fire Build CGU in the current financial year. Further details of this impairment, which has been recorded as a significant item are outlined in note C4.

In the current financial year the Group did not receive any significant government assistance to help navigate the additional costs of operations associated with the pandemic; whereas in the 2021 financial year it received the following relief:

- Government grants, in the form of JobKeeper wage subsidies of \$nil in 2022 (2021: \$11,261 thousand), and
- the Group repaid previously deferred indirect tax payments totalling \$600 thousand in 2022 (2021: \$13,740 thousand).

Significant Items

	2022	2021
	\$'000	\$'000
(Loss)/Profit for the period includes the following items:		
Business reorganisation and restructure costs	1,629	4,244
Acquisition related costs	380	362
Class Action settlement and associated legal defence costs	23,474	771
Goodwill Impairment	11,185	-
Provision for an uncertain indirect tax position	5,649	-
Legal and professional fees relating to legacy issues	772	2,004
Total significant items	43,089	7,381

COVID-19 impact

Employee benefits expense has been reduced by \$11,261 thousand in FY2021 to reflect government assistance received (JobKeeper wage subsidy) in accordance with government guidelines to maintain BSA's workforce.

Commonwealth and State government initiatives aimed at alleviating cash flow pressures, including the deferment of indirect tax payments, have applied to BSA during FY2021.

Government assistance received is primary comprised of the JobKeeper wage subsidy and has been utilised to ensure employees can be retained during uncertain operational conditions. The Group has continued to ensure suitable health and safety protocols are in place with suitable working condition amendments made for all employees.

In March 2020 to June 2020, the group utilised COVID-19 payment deferral measures made available by government agencies to navigate near-term uncertainties. These are being progressively repaid with \$13,740 thousand of deferred payments paid to tax authorities in FY2021 and \$600 thousand repaid early in the 2022 financial year.

While there has been a number of delays and restricted capacity considerations in the construction sector, the Group considers that our products and services are likely to be in high demand once certainty returns and client spend patterns return to normal levels and as a consequence of infrastructure spending announced by federal and state governments.

Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, BSA Limited, its related practices and non-related audit firms:

	2022 \$	2021 \$
Audit and review of financial reports	482,635	383,000
Other services		
Tax services	115,000	129,335
Other	17,000	15,000
Total services provided	614,635	527,335

The auditor of the Group is Deloitte Touche Tohmatsu.

Accounting Policy*Government grants*

JobKeeper government grants are recognised as a reduction in the employee expenses for which the grants are intended to compensate. Grant amounts are recognised in profit or loss when the grant amount is known and the Group has confirmed it has complied with the conditions attached to the grant.

Significant items

Significant items are amounts incurred in the financial period which are significant in size and nature and relate to factors that are either not expected to be incurred in future periods or are not related to core on-going operational activities of the Group.

B4. INCOME TAX

Key Estimates and Judgements:

Recoverability of deferred tax balances

The 30 June 2022 Deferred tax balance totals \$17,174 thousand (2021: \$7,963 thousand). Deferred tax assets are recognised up to the value that it is probable that there will be sufficient taxable profits in future years to offset the asset reversals.

As outlined in note A3, the Group has prepared a cash flow, profitability and liquidity forecast ("forecast"). This forecast includes consideration of the utilisation of deferred tax assets, which are forecast to be utilised within three years of the current date. As a consequence, \$17,174 thousand of deferred tax assets have been recognised at 30 June 2022 as it is probable that the related tax benefit will be realised.

In addition, the Group has \$10,336 thousand (2021: \$nil) of tax losses for which a deferred tax asset of \$3,101 thousand has not been recognised at 30 June 2022.

The forecast, its inputs and the timing of generation of taxable profits involves significant judgements and estimates.

Reconciliation of income tax expense to prima facie tax payable

	2022	2021 ⁽¹⁾
	\$'000	\$'000
(Loss)/Profit from continuing operations before income tax expense	(52,064)	629
Tax using the Group's statutory tax rate of 30%	(15,619)	189
Adjusted for:		
Prior year under provision	(730)	236
Non-deductible goodwill impairment	3,356	-
Non-deductible share-based payments	(40)	101
Tax Loss asset not recognised ⁽²⁾	3,101	-
Other	110	94
Income tax (benefit)/expense	(9,822)	620

Deferred tax balances

	2022	2021 ⁽¹⁾
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Class Action Costs	5,161	-
Employee benefits	3,609	3,420
Provisions	6,336	2,763
Intangible assets	1,765	1,860
Other	303	(80)
Net deferred tax assets	17,174	7,963

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2.

⁽²⁾ As at 30 June 2022 the Group has \$10,336 thousand of tax losses for which no deferred tax asset has been recognised (2021: \$nil). These amounts do not have an expiry date.

Accounting Policy

Income tax expense comprises current and deferred income tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items that are recognised directly in equity. Calculation of tax is based on tax rates and tax laws that are in place at the reporting date.

Tax consolidated group

The Company and all of its subsidiaries as outlined in note E1 have formed an income tax consolidated group under the tax consolidation regime. The head entity within that tax consolidated group is the Company. Consequently, the Group is taxed as a single entity and the deferred tax assets and liabilities of these entities are offset in the consolidated financial statements.

Current tax

Current tax liabilities are taxation obligations to the Australian Taxation Office that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements (accounting profit).

Deferred tax

Deferred tax assets and liabilities are recognised where there is a difference in timing between the accounting recognition of the asset or liability and the tax timing of the same asset or liability. This method is used for all differences between tax and accounting basis except for:

- initial recognition of goodwill, or
- if the transaction has no impact on accounting or taxable profit.

In addition, a deferred tax liability is not recognised if the reversal of the difference is under the control of the Group, it relates to investments in subsidiaries or associates and the Group does not intend to take any action to trigger a change in ownership of the subsidiary or associate in the foreseeable future.

Deferred tax assets are recognised up to the value that it is probable that there will be sufficient taxable profits in future years to offset the asset reversals; this is based on forecasts the Group's future taxable profits and the timing of the reversal of the temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Group has the legal ability and intent to settle these amounts on a net basis with the same taxation authority.

B5. EARNINGS PER SHARE**(a) Earnings per share**

	2022	2021 ⁽¹⁾
	Cents	Cents
Basic earnings per share	(8.057)	0.002
Diluted earnings per share	(8.057)	0.002

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2.

(b) Weighted average number of shares used as the denominator

	2022 Number	2021 ⁽²⁾ Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	524,302,050	503,521,501
Adjustments for calculation of diluted earnings per share:		
Performance rights outstanding	1,546,975	1,973,127
Antidilutive effect of loss on earnings per share	(1,546,975)	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	524,302,050	505,494,628

⁽²⁾ Balances have been restated for the bonus issue element of the Accelerated Non-Renounceable Entitlement Offer ("ANREO"). See note F3 for more information.

B6. CASH FLOW INFORMATION

Cash generated from operations

	2022 \$'000	2021 ⁽¹⁾ \$'000
(Loss)/Profit for the period	(42,242)	9
Adjustments for:		
Depreciation and Amortisation	7,503	10,034
Impairment of goodwill	11,185	-
Share-based payments	(133)	335
Net gain on sale of property, plant and equipment	(215)	(1,116)
Interest on right-of-use liabilities	353	1,335
Payments recognised in equity	-	(60)
Changes in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	7,718	(9,041)
Decrease/(increase) in inventories	346	298
Decrease/(increase) in deferred tax assets	(9,211)	1,565
Decrease/(increase) in other operating assets	(9,926)	(4,498)
Increase/(decrease) in trade and other payables	(1,602)	(12,494)
Increase/(decrease) in other operating liabilities	(1,841)	7,897
Increase/(decrease) in income taxes payable	(847)	(735)
Increase/(decrease) in other provisions	25,138	(1,104)
Net cash generated by operating activities	(13,774)	(7,575)

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2 for more details.



C1. TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables are presented below.

	2022 \$'000	2021 \$'000
Current assets		
Trade receivables	54,572	47,767
Expected credit losses	(1,374)	(1,538)
Total trade receivables	53,198	46,229
Accrued revenue	2,390	16,390
Other receivables	1,490	1,038
Prepayments	1,546	2,591
Executive share plan receivables	71	363
Total other receivables	5,497	20,382
Total trade and other receivables	58,695	66,611

Expected Credit Losses

The average credit period for the Group is 28 days (2021: 30 days). No interest is charged on overdue receivables. Before accepting a new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

Age analysis of trade receivables that are past due but not impaired at the reporting date is outlined below.

	Current \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	Total \$'000
FY2022					
Gross carrying amount – trade receivables	38,552	8,406	2,505	5,109	54,572
Loss allowance	(502)	(199)	(63)	(610)	(1,374)
FY2021					
Gross carrying amount – trade receivables	33,836	8,158	2,440	3,333	47,767
Loss allowance	(742)	(226)	(54)	(516)	(1,538)

OPERATING ASSETS AND LIABILITIES

FOR THE YEAR ENDED 30 JUNE 2022



The loss allowances for trade receivables reconcile to the opening loss allowances as follows:

	2022	2021
	\$'000	\$'000
Opening loss allowance as at 1 July	1,538	2,096
Increase in loan loss allowance recognised in profit or loss during the year	28	258
Receivables written off during the year as uncollectible	(94)	(53)
Unused amount reversed	(98)	(763)
Closing loss allowance	1,374	1,538

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Accounting Policy

Trade receivables and expected credit losses

See accounting policy in note D4.

Accrued revenue

Accrued revenue represents amounts receivable from customers for which all revenue recognition obligations have been met but an invoice is yet to be raised. Accrued revenue is based on the expected invoice amount to be raised for the services completed.

C2. TRADE AND OTHER PAYABLES

	2022	2021
	\$'000	\$'000
Current liabilities		
Trade payables	27,817	26,645
Deferred consideration for the acquisition of Catalyst ONE	1,417	1,056
Other payables	31,677	33,300
	60,911	61,001
Non-current liabilities		
Deferred consideration for the acquisition of Catalyst ONE	-	1,210
	-	1,210

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of current trade and other payables are considered to be the same as their fair values, due to their short-term nature. Non-current other payables are recognised at amortised cost and are discounted based on the interest rate implicit in the arrangement.



OPERATING ASSETS AND LIABILITIES

FOR THE YEAR ENDED 30 JUNE 2022

Accounting Policy

Trade payables

See accounting policy in note D4.

Other payables

Primarily comprised of accrued expenses which represents amounts payable to suppliers for which all expense recognition criteria have been met but an invoice is yet to be received. Accrued expenses are based on the expected invoice amount to be received.

C3. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Leasehold Improve- ments	Plant & Equipment	Right-of-use vehicles	Right-of-use premises	Assets Under Construction	Total
Non-current	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2021							
Opening net book amount	526	1,039	3,711	6,269	7,208	71	18,824
Acquisition of subsidiary	-	-	111	-	-	-	111
Additions	-	7	839	785	602	-	2,233
Disposals	-	-	(16)	(855)	(283)	(71)	(1,225)
Depreciation charge	(17)	(490)	(2,408)	(2,663)	(3,312)	-	(8,890)
Closing net book amount	509	556	2,237	3,536	4,215	-	11,053
At 30 June 2021							
Cost or fair value	663	4,602	27,722	11,559	10,570	-	55,116
Accumulated depreciation	(154)	(4,046)	(25,485)	(8,023)	(6,355)	-	(44,063)
Net book amount	509	556	2,237	3,536	4,215	-	11,053
Year ended 30 June 2022							
Opening net book amount	509	556	2,237	3,536	4,215	-	11,053
Additions	-	17	891	2,961	6,324	-	10,193
Disposals	-	-	-	(1,935)	(16)	-	(1,951)
Transfers	-	-	272	(272)	-	-	-
Depreciation charge	(16)	(203)	(1,119)	(1,307)	(3,093)	-	(5,738)
Closing net book amount	493	370	2,281	2,983	7,430	-	13,557
At 30 June 2022							
Cost or fair value	663	4,619	28,885	6,861	10,874	-	51,902
Accumulated depreciation and impairment	(170)	(4,249)	(26,604)	(3,878)	(3,444)	-	(38,345)
Net book amount	493	370	2,281	2,983	7,430	-	13,557

OPERATING ASSETS AND LIABILITIES

FOR THE YEAR ENDED 30 JUNE 2022

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Accounting Policy

Property, Plant and Equipment

Land and Buildings, Leasehold Improvements and Plant & Equipment are recognised at the cost of the asset less accumulated depreciation.

Right-of-use Assets

Right-of-use assets are initially measured with reference to the value determined for the associated right-of-use liability (refer note D1), less direct costs and any lease incentives. Expected end of lease costs such as make good are included in the right-of-use asset value determined at lease inception.

Throughout the lease term (including extended terms where judged appropriate), right-of-use assets are depreciated and periodically assessed for impairment. Depreciation begins when control of the leased asset by the Group occurs up until the date when control ends. In the event of changes to the lease, the right of-use asset is remeasured with reference to the remeasurement of the right-of-use liability.

Expected useful lives

The expected useful life and depreciation methods used are listed below.

Asset	Useful life	Depreciation method
Land	n/a	n/a
Buildings	25 years	Straight-line
Leaseholds Improvements	4 to 5 years	Straight-line
Plant & Equipment	3 to 10 years	Straight-line
Right-of-use vehicles	3 to 5 years	Straight-line
Right-of-use property	1 to 5 years	Straight-line
Assets Under Construction	To be determined	To be determined

Depreciation is recognised so as to write off the cost (other than freehold land) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment

Property, Plant and Equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use within its cash generating unit. Property, Plant and Equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use within its cash generating unit.

C4. INTANGIBLE ASSETS

Key Estimates and Judgements:

Recognition of Software-as-a-Service Intangible Assets

In April 2021 the IFRS Interpretations Committee (IFRIC) issued an agenda decision related to accounting for Software-as-a-Service (SaaS) arrangements. The IFRIC concluded configuration and customisation costs incurred in implementing SaaS arrangements should be expensed unless the criteria for recognising a separate asset are met. The impact of the retrospective application of the SaaS IFRIC are outlined in note F2 of the financial report.

Subsequent to the implementation of the SaaS IFRIC, the Group retains a number of software assets which operate in various states including on in-house servers, on designated third party servers and in cloud computing environments. The costs associated with bringing these to a state where they can be used in the Group's operations have been suitably bifurcated between costs meeting the capitalisation requirements under the SaaS IFRIC and other relevant accounting standards and those which were expensed as incurred. This bifurcation involves judgement as to the application of accounting standard criteria, with \$1,374 thousand of expenditure capitalised in the current financial year (2021: \$2,107 thousand).

Impairment of Goodwill

As outlined note B3, it was challenging to navigate the protocols and government restrictions particularly in the first half of 2022 which significantly affected both the CUI and APS businesses. Indirect impacts included project award delays, mobilization challenges and having to navigate control measures put in place to keep our employees, contractors and customers safe.

As a consequence, the following key inputs to the recoverable value of Fire Build Cash Generating Unit ('CGU') have been impacted:

- the expected revenue and profitability of the APS | Fire Build business for the 2023 financial year has been impacted by delays in awards of new contracts, and
- broader market instability has impacted the EBITDA multiples at which comparable businesses have been sold for in the most recent financial year.

The combination of these factors has resulted in the impairment of \$11,185 thousand of goodwill associated with the Fire Build CGU in the current financial year (2021: \$nil).

The calculation of the recoverable value of a CGUs asset involves significant estimates and assumptions which include:

- forecast revenue and EBITDA,
- selection of appropriate EBITDA multiples for sales of similar size and nature businesses, and
- future economic and market conditions both specific to the CGU and its operations and to the broader economic environment.

	Goodwill \$'000	Software assets under construction \$'000	Software \$'000	Customer lists and contracts \$'000	Total \$'000
At 30 June 2021					
Cost	11,260	106	4,579	12,606	28,551
Accumulated amortisation and impairment	-	-	(811)	(10,445)	(11,256)
Net book amount	11,260	106	3,768	2,161	17,295
Year ended 30 June 2022					
Opening net book amount	11,260	106	3,768	2,161	17,295
Additions	-	1,171	205	-	1,376
Impairment charge	(11,185)	-	-	-	(11,185)
Amortisation charge	-	-	(1,251)	(514)	(1,765)
Transfers	-	(904)	904	-	-
Closing net book amount	75	373	3,626	1,647	5,721

OPERATING ASSETS AND LIABILITIES

FOR THE YEAR ENDED 30 JUNE 2022

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	Goodwill \$'000	Software assets under construction \$'000	Software \$'000	Customer lists and contracts \$'000	Total \$'000
At 30 June 2022					
Cost	75	373	4,812	2,527	7,787
Accumulated amortisation and impairment	-	-	(1,186)	(880)	(2,066)
Net book amount	75	373	3,626	1,647	5,721

Goodwill impairment assessment

Goodwill is allocated to the following CGUs:

Segment	APS \$'000	CUI \$'000
CGU	APS - Fire Build	CUI
FY2022		
Cost	11,185	75
Accumulated Impairment	(11,185)	-
Total	-	75
FY2021		
Cost	11,185	75
Accumulated Impairment	-	-
Total	11,185	75

Impairment testing is completed at a cash generating unit (CGU) level, which is the lowest level at which the Group generates discrete and separate cash inflows and outflows. To determine the recoverable amount, the group uses the Fair Value Less Costs to Sell (FVLCTS) to determine the amount for which the business could be sold (less sale related expenses). The resulting FVLCTS models are consistent with level 3 instruments in the fair value hierarchy.

The assessment of impairment of goodwill FVLCTS models include the following considerations:

- EBITDA forecast and expected EBITDA multiples which incorporate the impact of the ongoing COVID-19 pandemic into the assumptions,
- EBITDA for the CGUs are broadly consistent with the 30 June 2023 financial year board approved budgeted EBITDA, and
- EBITDA multiples for arm's length transactions of businesses similar in size and nature to the CGUs within recent financial periods.

Due to COVID-19, the expected profitability of the APS - Fire Build business for the 2023 period has been impacted by delays in awards of new contracts and by market instability impacting the EBITDA multiples at which comparable businesses have been sold for in the most recent financial year. The recoverable amount of Fire Build CGU based on FVLCTS results in full impairment of \$11,185 thousand Goodwill at the midpoint EBITDA multiple of 4.2x based on publicly available data for arm's length transactions of businesses similar in size and nature to the CGUs within recent financial periods.

Below are the key assumption of the FVLCTS model:

Financial Year	EBITDA Multiple	EBITDA(\$m)
FY 2022	4.2x	FY2023 Board approved Fire Build CGU budgeted EBITDA
FY 2021	8.0x	FY2022 Board approved Fire Build CGU budgeted EBITDA

The Group further determined the recoverable amount of the APS - Fire Build business utilising the Value-in-Use ("VIU") methodology based on the below key assumptions:

- estimated cash flows for five years based on Board approved budget for 30 June 2023 financial year with extrapolation for the remaining period,
- terminal value arrived by extrapolating last forecast year cash flows to perpetuity using long-term growth rates. These long-term growth rates take into consideration external macro-economic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector, and
- the discount rates used are based on weighted average cost of capital of a comparable market participant, which are adjusted for specific industry risks.



OPERATING ASSETS AND LIABILITIES

FOR THE YEAR ENDED 30 JUNE 2022

The key assumptions used in performing the impairment test for APS - Fire Build CGU were as follows:

Financial Year	Discount rate	Growth Rate	Perpetual Growth Rate
FY 2022	12.67%	3%	2.5%

The VIU, consistent with the FVLCTS, resulted in full impairment charge of \$11,185 thousand for goodwill related to the APS - Fire Build business CGU. This impairment charge of \$11,185 thousand was recorded in significant items (note B3).

Accounting Policy

Goodwill

Goodwill arising on the acquisition of subsidiaries has an infinite useful life and is measured at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's CGUs that is expected to benefit from the synergies of the combination. On disposal of a business unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Other intangible assets, including software and customer lists and contracts are acquired or developed by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Impairment

Goodwill and other indefinite useful life intangible assets

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Impairment losses for goodwill are recognised as an expense when incurred and are not reversed in subsequent periods. The recoverable amount is the higher of an asset's Fair Value Less Costs to Sell (FVLCTS) and Value in use (VIU).

Other intangible assets

Other intangible assets including software and customer lists and contracts are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Expected useful lives

The expected useful life and amortisation methods used are listed below.

Asset	Useful life	Amortisation method
Goodwill	indefinite	n/a
Software	2 to 8 years	Straight-line
Customer lists and contracts	1 to 9.5 years	Straight-line
Software assets under construction	To be determined	To be determined

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

C5. PROVISIONS

	2022			2021		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Employee benefits	10,850	1,180	12,030	10,017	1,381	11,398
Other provisions	10,088	22,209	32,297	2,509	5,282	7,791
	20,938	23,389	44,327	12,526	6,663	19,189

Movements in other provisions in the current financial year are as follows:

OPERATING ASSETS AND LIABILITIES

FOR THE YEAR ENDED 30 JUNE 2022

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	Class Action and associated legal costs \$'000	Make good provision \$'000	Onerous Leases \$'000	Contract Provisions \$'000	Restructuring provision \$'000	Uncertain indirect tax position \$'000	Total \$'000
Carrying amount at start of year	600	1,531	866	2,940	1,854	-	7,791
Charged/(credited) to profit or loss	-	-	-	-	-	-	-
- additional provisions recognised	21,003	741	-	7,111	-	5,649	34,504
- unused amounts reversed	-	(476)	-	(2,644)	-	-	(3,120)
Amounts used during the year	(4,400)	(351)	(273)	-	(1,854)	-	(6,878)
Carrying amount at end of year	17,203	1,445	593	7,407	-	5,649	32,297

Other provisions relate to the following matters:

Provision	Matter
Class Action and associated legal costs	Costs incurred in relation to the Class Action settlement in 2022. (Refer note B3)
Make good provision	Estimated costs required to restore lease properties to a contractually defined condition at the end of the lease term.
Onerous leases	The remaining contractual costs over the lease term for under utilised leased premises space with the sale of the HVAC Build business in 2019.
Contract provisions	The expected cost of obligations under various construction contracts recognised at the Directors' best estimate of the expenditure to settle the Group's obligation.
Uncertain indirect tax position	A provision has been raised for specific uncertain indirect taxation positions which are in the process of being disputed with relevant taxation authorities.
Restructuring provision	The expected costs associated with organisational change restructures. These amounts primarily relate to headcount

Accounting Policy

Employee benefit liabilities

Employee benefits are included in current provisions at their face value if the Group expects to settle it within the next twelve months. Employee benefits payable later than one year are included in non-current provisions and have been measured at the present value of the estimated future cash outflows to be made for those benefits. The present value is determined using market yields on high quality corporate bonds with terms to maturity that match the expected timing of employee benefit cash flows.

Other provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.



D1. FINANCIAL LIABILITIES

Borrowings

	2022	2021
	\$'000	\$'000
Current borrowings	11,500	-
Total borrowings	11,500	-

Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

	2022	2021 ⁽¹⁾
	\$'000	\$'000
Current		
Cash and cash equivalents	13,441	12,821
Gross trade receivables	54,572	47,767
Inventories	1,104	1,450
Total current assets pledged as security	69,117	62,038
Non-current		
Property, plant and equipment	13,557	11,053
Deferred tax assets	17,174	7,963
Total non-current assets pledged as security	30,731	19,016
Total assets pledged as security	99,848	81,054

⁽¹⁾ Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note F2 for more details.

Lease Liabilities

	2022	2021
	\$'000	\$'000
Current	3,512	4,473
Non-current	7,285	4,745
	10,797	9,218

At 30 June 2022, there were \$223 thousand (2021: \$921 thousand) of finance and hire purchase liabilities as determined under the accounting standard AASB 117 leases that applied prior to 1 July 2019.

Lease liabilities are effectively secured as the rights to the assets revert to the financier in the event of default. Interest rates for lease liabilities outstanding during the year ranged between 4.47% and 5.97%.

CAPITAL AND FINANCING STRUCTURE

FOR THE YEAR ENDED 30 JUNE 2022

D

Accounting Policy

Borrowings

See accounting policy in note D4.

Lease liabilities

Initial recognition

Initially lease liabilities are measured as the present value of future lease payments discounted using the interest rate implicit in the lease or if that is not known then rate at which the Group could borrow similar cashflows over a similar term. Determination of future lease payments includes consideration of the impact of lease incentives (such as rent free periods), incremental increases during the lease term (such as CPI or fixed lease rate increases), lease extension options (where reasonably certain that will occur) and residual value guarantees expected to be paid.

Certain leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options (by the Group not the lessor) in new leases to provide operational flexibility. The Group has assessed at lease commencement whether it is reasonably certain to exercise the extension options, and where it is reasonably certain, the extension period has been included in the lease liability.

Subsequent measurement

Over the lease term, payments made by the Group to the lessor reduce the liability balance while applicable interest is recognised as interest expense and increases the liability balance. Lease liabilities are re-assessed and remeasured in line with the initial recognition criteria above when substantive elements of the lease change. These elements can include changes to the lease term through exercise or otherwise of lease extension options or significant variations to amounts payable under the lease. Periodically, the Group reassesses whether it is reasonably certain that extension options will be exercised if there is a significant event or change in circumstances.

D2. EQUITY

Issued Capital

Movements in the Group's issued capital are outlined below:

	Number of shares (thousand)	Total \$'000
Opening balance 1 July 2020	431,859	100,390
Dividend reinvestment plan issues	522	135
Transfers between reserves	537	109
Exercise of performance rights	482	157
Exercise of Non-executive Director rights	226	70
Balance 30 June 2021	433,626	100,861
Dividend reinvestment plan issues	1,732	502
Accelerated Non-Renounceable Entitlement Offer capital raise	134,703	12,844
Exercise of options	3	-
Exercise of performance rights	878	323
Balance 30 June 2022	570,942	114,530

The Group's issued capital is wholly comprised of ordinary shares. These ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

134,364 thousand options exercisable at \$0.10 are outstanding as at 30 June 2022, with share-based payments rights in relation to the Group's issued capital outlined in note F1.



CAPITAL AND FINANCING STRUCTURE

FOR THE YEAR ENDED 30 JUNE 2022

Dividends

Dividends paid

	2022	2021
	\$'000	\$'000
Final dividend	2,173	2,166
Interim dividend	-	2,167
Total dividends provided for or paid	2,173	4,333

The fully franked dividend for the financial year ended 30 June 2021 of 0.50 cents per share was distributed on 3 November 2021.

Dividend reinvestment plan

The Group has a Dividend Reinvestment Plan (DRP) in place and has been utilised as follows:

Dividend	DRP shares issued Number (thousand)	DRP per share \$	DRP dividend payment \$'000
FY2021 final dividend (November 2021)	1,731	0.29	502
FY2021 interim dividend (April 2021)	85	0.29	25
FY2020 final dividend (November 2020)	191	0.27	51
FY2020 interim dividend (July 2020)	246	0.28	69

Franking credits

As at 30 June 2022 based on the current tax rates of 30% the Group has \$11,415 thousand franking credits available for future dividends (2021: \$11,735 thousand).

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

Capital Management

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs.

In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to review its gearing ratio to ensure adequate funds are available to meet its obligations.

CAPITAL AND FINANCING STRUCTURE

FOR THE YEAR ENDED 30 JUNE 2022



D3. CONTINGENT LIABILITIES

The group had contingent liabilities at 30 June 2022 in respect of:

Matter	Description
Bank guarantees and Insurance bonds	Established in favour of National Australia Bank, the Commonwealth Bank of Australia and Swiss Re International SE for guarantees issued to various clients for satisfactory contract performance, secured by cross guarantees from all wholly owned group members amounting to \$32,450 thousand (2021: \$32,923 thousand).
Claims against the Group	Certain claims, including those arising out of construction contracts, have been made by, or against, the Group

The Directors do not consider the outcome of any of these claims will be materially different to the position taken in the financial accounts of the Group.

Provisions

From time to time the Group may be involved in litigation by or against the Group. The Directors have made adequate provisions (see note C5), which is the best estimate at the time and appropriate disclosures have been made unless their inclusion would be unreasonably prejudicial to the Group.

D4. FINANCIAL RISK MANAGEMENT

In common with all other businesses, the Group is exposed to financial risks that arise. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Board receives monthly reports from the Finance Department through which it reviews the effectiveness of the processes put in place and the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group.

Trade receivables consist of a large number of customers. The Group does not have significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

Included in trade receivables, the most significant customer accounts for 16.1% of trade receivables at balance date (2021: 5.8%).

BSA only trades in Australia, as such the maximum exposure to credit risk at balance date on a country level is limited to Australia.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.



CAPITAL AND FINANCING STRUCTURE

FOR THE YEAR ENDED 30 JUNE 2022

Financing arrangements

The following financing facilities were available at balance date:

	2022	2021
	\$'000	\$'000
Credit stand-by arrangements		
Borrowing Base Facility		
Facility Limit	37,500	37,500
Used	(6,500)	-
Unused	31,000	37,500
Cash Advance Facility		
Facility Limit	6,000	6,000
Used	(5,000)	-
Unused	1,000	6,000
Master Asset Finance Facility		
Facility Limit	223	921
Used	(223)	(921)
Unused	-	-
Total unused facilities at balance date	32,000	43,500

In addition to the above arrangements the group has bank guarantee facilities of \$26,500 thousand (2021: \$26,500 thousand) of which \$23,554 thousand (2021: \$15,703 thousand) was utilised.

In addition to the above facilities the group has a surety bond facility with Swiss Re International SE of \$12,000 thousand (2021: \$20,000 thousand) which was utilised to \$8,896 thousand (2021: \$17,220 thousand).

The following table details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	< 6 months	6 - 12 months	1-3 years	> 3 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
Contractual maturities of financial liabilities at 30 June 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives						
Trade payables	27,817	-	-	-	27,817	27,817
Lease liabilities	1,933	1,894	5,133	3,306	12,266	10,797
Total non-derivatives	29,750	1,894	5,133	3,306	40,083	38,614
30 June 2021						
Non-derivatives						
Trade payables	26,645	-	-	-	26,645	26,645
Lease liabilities	2,862	2,400	4,519	266	10,047	9,218
Total non-derivatives	29,507	2,400	4,519	266	36,692	35,863

CAPITAL AND FINANCING STRUCTURE

FOR THE YEAR ENDED 30 JUNE 2022



Accounting Policy

Classification of financial instruments

The Group classifies its financial instruments as follows:

Category	AASB 9 Classification
Cash and cash equivalents	Amortised cost
Trade receivables	Amortised cost
Net other receivables	Amortised cost
Trade and other payables	Amortised cost
Borrowings	Amortised cost

Recognition and measurement

Under AASB 9 Financial Instruments, a financial asset shall be measured at amortised cost; Fair Value through Profit & Loss (FVTPL); or Fair Value through Other Comprehensive Income (FVOCI) as classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Measurement of financial liabilities are also based on the business model and are classified and measured either at amortised cost or FVTPL.

Category	Measurement
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Net gains and losses are recognised in other comprehensive income, except for interest or dividend income, which are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial liabilities at amortised cost	These liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss with any gain or loss on derecognition is recognised in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, to the net carrying amount on initial recognition.

Derecognition

Financial assets are derecognised when the rights to the cashflows associated with the asset have expired. Financial liabilities are derecognised when the cashflows associated with the liability have been repaid or expired. Any gain or loss on derecognition (being the difference between the carrying value and the consideration received, if any) is recognised in profit or loss.

Impairment

Impairment requirements use an Expected Credit Loss ('ECL') model under which credit losses are recognised earlier than incurred. The impairment model applies to financial assets measured at amortised cost and contract assets. The Group measures loss allowances at an amount equal to lifetime ECLs for all applicable assets. The Group considers amortised cost financial assets with the counterparty being 'investment grade' to have low credit risk when its credit risk rating is equivalent to be AA- or higher per Standard & Poor's.



CAPITAL AND FINANCING STRUCTURE

FOR THE YEAR ENDED 30 JUNE 2022

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses with the key exposure being in relation to trade receivables and contract assets. ECLs for trade receivables and contract assets are determined after considering specific provisions against the financial asset and uses an expected loss percentage from recorded historic credit losses for that specific population. The key disaggregation of the balances is between those that are with investment grade counterparties and the age of the financial asset outstanding in 30-day tranches up to more than 121 days overdue. These expected loss percentages are then modified for forward-looking economic factors, such as the impact of the COVID-19 pandemic. The Group exercises considerable judgement about how the forward-looking economic factors impact each tranche independently, and applies a premium as deemed appropriate to adjust the historically determined default rates to present the total expected credit losses on the current balances.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.



E1. GROUP COMPANIES

Controlled entities

The Group's subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. All entities in the Group are registered in and have their principal place of business in Australia.

	Ownership interest held by the group (%)	
	2022 %	2021 %
Name of entity		
BSA Advanced Property Solutions (ACT) Pty Ltd	100	100
BSA Advanced Property Solutions (Administration) Pty Ltd	100	100
BSA Advanced Property Solutions (ECR) Pty Ltd	100	100
BSA Advanced Property Solutions (Essential Services) Pty Ltd	100	100
BSA Advanced Property Solutions (FIRE) Pty Ltd	100	100
BSA Advanced Property Solutions (Holdings) Pty Ltd	100	100
BSA Advanced Property Solutions (NSW & ACT) Pty Ltd	100	100
BSA Advanced Property Solutions (NSW) Pty Ltd	100	100
BSA Advanced Property Solutions (NT) Pty Ltd	100	100
BSA Advanced Property Solutions (VIC) Pty Ltd	100	100
BSA Advanced Property Solutions Australia Pty Ltd	100	100
Triple M Group Pty Ltd	100	100
066 059 809 Pty Ltd	100	100
BSA Advanced Property Solutions Fire (QLD) Pty Ltd (formerly ACN 085 921 615 Pty Ltd)	100	100
BSA Equity Plans Pty Ltd	100	100
BSA Networks Pty Ltd	100	100
BSA Transmission Solutions Pty Ltd	100	100
Mr Broadband Pty Ltd	100	100
Satellite Receiving Systems (QLD) Pty Ltd	100	100
Catalyst ONE Ptd Ltd	100	100
Jamik (AUS) Pty Ltd	100	100
BSA Communications and Utility Infrastructure Pty Ltd	100	100

Deed of cross guarantee

All controlled entities are parties to the Deed of Cross Guarantee and are members of the Closed Group, where relief is obtained from preparing individual financial reports under ASIC Instrument 2016/785. Under the deed, BSA Limited agrees to support the liabilities and obligations of the controlled entities. As all entities within the Group are members of the deed of cross guarantee their consolidated performance and position are the same as those presented in the primary financial statements, and, as such their performance and position have not been duplicated here.



GROUP STRUCTURE

FOR THE YEAR ENDED 30 JUNE 2022

Accounting policy

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee,
- is exposed, or has rights, to variable returns from its involvement with the investee, and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The parent entity carries its investment in subsidiaries at cost less impairment (if any).

E2. PARENT ENTITY FINANCIAL INFORMATION

Summary financial information

The individual financial statements for the parent entity, BSA Limited, show the following aggregate amounts:

	2022	2021
	\$'000	\$'000
Statement of Financial Position		
Current assets	13,482	36,804
Non-current assets	70,759	38,928
Current liabilities	62,887	35,814
Non-current liabilities	28,446	15,808
Shareholders' equity		
Issued capital	114,530	100,861
Reserves		
Accumulated losses	(124,399)	(82,157)
Profit reserve	2,406	3,979
Share-based payments	371	1,427
	(7,092)	24,110
Profit or loss for the period	(42,242)	9
Total comprehensive income	(42,242)	9

Guarantees entered into by the parent entity

	2022	2021
	\$'000	\$'000
Directly relating to the parent entity	8,044	9,616
Secured by cross guarantee by all wholly owned group members	24,406	23,307
	32,450	32,923

Contingent liabilities of the parent entity

Given the deed of cross guarantee, refer to Contingent liabilities at note D3.

E3. RELATED PARTY TRANSACTIONS

The Group's related parties are considered to have a special relationship with the Group as such additional disclosures are made to users of the Annual Report to draw attention to the possibility that its financial position and performance may have been affected related parties. Except from the amounts disclosed below there have been no other related party transactions in current or prior financial years.

Related Party Remuneration

The below outlines total remuneration paid to the Group's key management personnel, being the Non-executive Directors, CEO and CFO. Detailed disclosures by person and the determination of remuneration structures are outlined in the Remuneration Report section of this Annual Report.

	2022	2021
	\$	\$
Short-term employee benefits	1,525,934	1,567,330
Post-employment benefits	100,830	92,937
Other long-term benefits	11,952	15,025
Share-based payments	(95)	139,213
	1,638,621	1,814,505

Related Party Rights and Shareholdings

Related party rights and shareholdings are outlined in detail in the Remuneration Report section of this Annual Report.



F1. SHARE-BASED PAYMENTS

	2022	2021
	\$'000	\$'000
Equity settled share-based payments expense	(133)	335
Share-based payments equity reserve	371	1,427

The following share-based payment (SBP) rights were on issue during the financial year:

Plan	Grant Date	Vesting Date	Balance at 30 June 2021 Number	Forfeited in 2022 Number	Vested in 2022 Number	Balance at 30 June 2022 30 June 2022 Number
PRP Plan (SR)	27 Nov 2019	30 June 2021	101,370	(101,370)	-	-
PRP Plan (SR)	27 Nov 2019	30 June 2021	771,319		(734,227)	37,092
PRP Plan (SR)	1 Sep 2020	1 Sep 2021	143,369		(143,369)	
PRP Plan (SR)	25 Nov 2020	30 June 2022	1,088,365	-	-	1,088,365
			2,104,423	(101,370)	(877,596)	1,125,457

All the SBP rights outlined above are equity settled and have a \$nil exercise price and expire 15 years after their grant date. No rights were granted in FY2022.

The details of the Group's active SBP Plans in the current year are outlined in the following sections.

Employee Performance Reward Plan

The Employee Performance Rights Plan ('PRP Plan') was approved by shareholders at the 2008 AGM. The Plan was established to reward selected eligible employees and to:

- provide an incentive for the creation of, and focus on, shareholder wealth,
- enable the Group to recruit and retain the talented people needed to achieve the Group's business objectives,
- link the reward of key employees with the achievement of strategic goals and the Group's performance,
- align the financial interests of participants with the Group's shareholders, and
- ensure the remuneration packages of employees are consistent with market practice.

Securities may be offered under the Plan and the Board has discretion to determine who is offered the opportunity to participate.

PRP Plan (SR)

Within the PRP Plan is a subset of Service Rights (SR). Service rights issued under the PRP Plan are only subject to service conditions, whereby the employee must remain employed by the Group until the vestment date. This is subject to a number of exceptions (including death, cessation of employment, takeovers and schemes of arrangement). Service Rights are typically used in the following instances by the Group:

- As part of senior management short-term incentive payments, to encourage continued service and alignment of employee and shareholder interests. Senior management incentive payments generally include two components:
 - an upfront cash payment for 50% of the reward, and
 - a PRP Plan (SR) portion which grants employees service rights which vest 24 months post the relevant financial performance period with the number of service rights granted calculated based on the 10 day Volume Weighted Average Price (VWAP) of the Group's shares after the release of the Group's annual report for the relevant financial performance period.
- As a method of retention of key employees who have joined the Group to ensure their remuneration packages are in-line with market practice in their first financial period prior to earning short-term incentives.

PRP Plan (PR)

Within the PRP Plan is a subset of Performance Rights (PR). Performance rights issued under the PRP Plan are subject to both non-market performance conditions and service conditions. Performance Rights are typically used to:

- incentivise financial performance of section of the Group's operations over the long-term, and
- encourage continued service and alignment of employee and shareholder interests.

Non-executive Director Fee Sacrifice Equity Plan

The Non-executive Director ('NED') Fee Sacrifice Equity Plan ('NED Plan') purpose is to:

- facilitate the acquisition of equity in the Group by NEDs serving on the board because it provides NEDs with "skin in the game" and aligns their interests with shareholders,
- preserve the independence of NEDs by ensuring that NED participate in a separate equity plan from the PRP plan in which executives of the Group participate and for which NEDs set performance vesting conditions, and
- overcome the challenges faced by NEDs in acquiring equity on-market due to governance and regulatory issues in a manner that is intended to demonstrate good-governance.

The NED Plan allows for eligible NEDs, subsequent to AGM approval can sacrifice a portion of their NED fees for an equivalent number of deferred rights, which convert into shares of the Group. The deferred rights are issued within 30 days of the NED application and convert to shares 90 days after the issue of the deferred rights. The shares are held in the NEDs name and are restricted from trading until the earlier of 15 years from grant date and the date the NED no longer serves on the Board of the Group.

As the NED Plan allows for the sacrifice of NED Fixed remuneration for a fixed value of shares this plan is considered a type of fixed remuneration sharebased payment.

Accounting Policy

Equity-settled share-based payments are measured at the value an independent third party would pay for them on the date they were granted (fair value). This fair value along with an estimate of how many of them are expected to be transferred to the employee at the end of the arrangement is expensed on a straightline basis from when the employee commenced working for them until the end of the arrangement (vesting). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest with a corresponding increase in equity. The impact of the change in estimate, is recognised in profit or loss such that the total expense recognised over the arrangement to date reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.



OTHER

FOR THE YEAR ENDED 30 JUNE 2022

F2. RESTATEMENT

In April 2021 the IFRS Interpretations Committee (IFRIC) issued an agenda decision related to accounting for Software-as-a-Service (SaaS) arrangements. The IFRIC concluded configuration and customisation costs incurred in implementing SaaS arrangements should be expensed unless the criteria for recognising a separate asset are met. The Group outlined in notes C4 and F2 to the 30 June 2021 financial report that the impact of the change in accounting policy upon application of the SaaS IFRIC would be reflected as a retrospective restatement in the financial reports for the 2022 financial year. The implementation of this retrospective restatement is outlined below.

As part of this implementation, an assessment of all historical expenditure on SaaS arrangements was undertaken. The assessment determined that due to the nature of the historic information, it was impracticable to identify those configuration, customisation and other activities which should remain capitalised on the application of the SaaS IFRIC. This impracticability of application has resulted in the expensing of all amounts in the periods in which they were incurred, where there is insufficient information to support on-going capitalisation under the SaaS IFRIC.

The impact of the adoption of the SaaS IFRIC, including costs expensed are disclosed below:

Statement of Financial Position	30 June 2021	Adjustment \$'000	30 June 2021	30 June 2020	Adjustment \$'000	30 June 2020
	Reported		Restated	Reported		Restated
	\$'000		\$'000	\$'000		\$'000
Intangible assets	25,658	(8,363)	17,295	20,407	(6,390)	14,017
Current tax assets/(liabilities)	5,454	2,509	7,963	7,611	1,917	9,528
Other net assets/(liabilities)	(1,148)		(1,148)	4,270	-	4,270
Net assets	29,964	(5,854)	24,110	32,288	(4,473)	27,815
Accumulated losses	(74,368)	(5,854)	(80,222)	(75,749)	(4,473)	(80,222)
Other equity	104,332		104,332	108,126	-	108,126
Equity	29,964	(5,854)	24,110	32,377	(4,473)	27,904

Statement of Comprehensive Income	30 June 2021	Adjustment \$'000	30 June 2021
	Reported		Restated
	\$'000		\$'000
Employee benefits expense	(54,583)	(2,741)	(57,324)
Depreciation and amortisation expense	(10,921)	887	(10,034)
Other expenses	(31,951)	(246)	(32,197)
Other comprehensive income items before tax	100,184	-	100,184
Profit before income tax	2,729	(2,100)	629
Income tax expense	(1,250)	630	(620)
Profit/(loss) for the period	1,479	(1,470)	9
Comprehensive income for the period	1,479	(1,470)	9

	30 June 2021		30 June 2021
	Reported	Adjustment	Restated
Statement of Cash flows	\$'000	\$'000	\$'000
Payments to supplier and employees	(444,100)	(2,987)	(447,087)
Other operating cashflows	439,512	-	439,512
Net cash outflow from operating activities	(4,588)	(2,987)	(7,575)
Payments for intangible assets	(5,094)	2,987	(2,107)
Other investing cashflows	(237)	-	(237)
Net cash outflow from investing activities	(5,331)	2,987	(2,344)

F3. OTHER ACCOUNTING POLICIES

Reclassifications

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Significant reclassifications include the presentation of Significant Items on the face of the Statement of Comprehensive Income (previously included in Other expenses).

Accelerated Non-Renounceable Entitlement Offer

On 6 April 2022 the Group announced a capital raising, including an Accelerated Non-Renounceable Entitlement Offer ("ANREO") to raise up to \$15,500 thousand of share capital. The Group's share price on announcement date was 12.3 cents per share. The instruments to be issued under the ANREO comprised of a single share in the Company and a one-for-one option for an additional share in the Company exercisable at 10 cents at any date to 30 April 2025. The two instruments were issued at a price of 10 cents, with the option valued under a Black-Scholes model at 5.0 cents per option and thus implying the value of the Group's share at 5.0 cents per share. The difference between the share price at offer date of 12.3 cents per share and the offer value of 5.0 cents per share is treated as a bonus issue under the accounting standards and thus prior comparative period earnings per share have been restated for the bonus issue component of the ANREO.

Sale and leaseback

In the 2022 and 2021 financial year's the Group undertook a sale and leaseback transactions ('S&LB') to free up capital in 10 motor vehicles (2021: 78) for more efficient use in the Group's operations. The S&LB transaction resulted in a gain on sale of \$131 thousand (2021: \$854 thousand).

New accounting standards and interpretations

New accounting standards effective in the current year

No new standards or amendments to accounting standards applicable to the current reporting period had a significant impact on the Group's financial statements.

New accounting standards not yet effective

At the date of authorisation of the financial report no Standards and Interpretations that were issued but not yet effective are anticipated to have a material impact on the Group's financial statements.

Finance costs

Finance costs relate to right-of-use liabilities, financial institution borrowing costs and bank guarantee costs and are recognised in profit or loss in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount is not recoverable from the taxation authority. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are presented in the consolidated statement of cash flow on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2022

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,
- (b) in the Directors' opinion, the attached financial statements are in compliance with Australian Accounting Standards and International Financial Reporting Standards, as stated in note A1 to the financial statements,
- (c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity, and
- (d) The Directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note E1 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

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

On behalf of the Directors.



Nicholas Yates

Interim Chairman

Sydney

23 August 2022



Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the Members of BSA Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BSA Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note A3 in the consolidated financial statements, which indicates that the Group incurred a net loss after tax of \$42,242 thousand and a net cash outflow from operating activities of \$13,774 thousand during the year ended 30 June 2022 and, as of that date, the Group's current liabilities exceeded its current assets by \$12,870 thousand and the Group's total liabilities exceeded its total assets by \$7,092 thousand. As stated in Note A3, these events or conditions, along with other matters as set forth in Note A3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT



Our procedures in relation to going concern included, but were not limited to:

- Challenging the underlying assumptions reflected in management's cash flow forecasts, including the timing of expected cash flows;
- Assessing the historical accuracy of the forecasts prepared by management;
- Inquiring with management and the board as to knowledge of events and conditions that may impact the assessment on the Group's ability to pay its debts as and when they fall due;
- Assessing the cash position and availability of borrowing facilities as at 30 June 2022 and over the forecast period; and
- Assessing the adequacy of the disclosures in Note A3 to the financial report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Recognition of revenue on Fire Build construction contracts and collectability of the respective trade receivables and contract assets</p> <p>One of the Group's significant sources of revenue is from Fire Build construction projects. As disclosed in Note B2, revenue is derived from a number of contracts and recognised based on the stage of completion of each contract. Stage of completion of the construction work is determined with reference to the work completed, i.e. the percentage of work performed up to the reporting date compared to the total anticipated contract work to be performed.</p> <p>The recognition of revenue is dependent on the following key factors:</p> <ul style="list-style-type: none"> • Determination of stage of completion; • Estimation of total contract revenue and contract cost including the estimation of cost contingencies; • Determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims; and • Estimation of project completion date. <p>The Group recognises contract assets in respect of the progressive valuation of work completed as well as trade receivables which represent amounts invoiced to customers.</p> <p>Fire Build contract assets are amounts due to the Group from customers that have not been invoiced. Some of these contract assets are made up of claims</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating management's processes and controls over the recognition of Fire Build construction contract revenue and collectability of the respective trade receivables and contract assets including; <ul style="list-style-type: none"> - Obtaining an understanding of the key controls, in particular the estimation and review of costs to complete; and - Understanding the project review control that is undertaken by Group management on a monthly basis. • For a sample of contracts selected based on quantitative and qualitative characteristics our procedures included: <ul style="list-style-type: none"> - Obtaining an understanding of the contract terms and conditions and inspecting signed contracts to evaluate whether contract terms were reflected in management's estimate of forecast costs and revenue; - Challenging the forecast costs to complete, as well as inspecting supporting documentation for contracted costs such as materials, subcontractors and labour; - Testing contractual entitlement, variations and claims recognised in contract revenue; - For loss making contracts, recalculating the expected loss at completion and verifying that the appropriate loss was recognised; and



<p>and variations, both approved and not approved by the customer. Management assesses the likelihood of recovery prior to recognising the amount due from the customer.</p> <p>Credit risk and collectability of trade receivables and amounts due from customers under construction contracts are subject to estimation and judgement and are required to be monitored by management on an ongoing basis.</p>	<ul style="list-style-type: none"> - Evaluating significant exposures to liquidated damages for late delivery of contract works. • Assessing the completeness and accuracy of the aged debtor listing (including ageing analysis) and contract asset reports at year end, and on a sample basis, agreeing to the subsequent receipt of cash; • For the trade receivable balances that were not collected prior to the issue of the financial statements, evaluating on a sample basis the probability of recovery of outstanding amounts by reference to the status of contract negotiations, correspondence with the customers, external and internal legal advice and supporting documentation, historical recoveries and other supporting documentation; • Confirming that contract asset amounts at year end were subsequently billed to the customer; • For the contract asset amounts that were not billed to the customer, challenging management's assessment of the recoverability of these amounts via inquiry of management, inspection of internal and external legal advice, or inspection of subsequent billing approved by the client; and • Assessing the appropriateness of the disclosures in the financial statements.
<p>Provision for litigation and claims</p> <p>The Group is party to legal proceedings and claims brought by third parties as a result of normal business operations. As disclosed in note D3, management have assessed each of these legal matters and determined, with the assistance of external legal counsel where relevant, whether there is a requirement to provide for expected exposures or disclose a contingent liability in the consolidated financial report.</p> <p>Judgement is applied when determining the likely settlement of litigation and claims. The most significant legal claims are related to payroll tax liabilities with the Office of State Revenue ("OSR") in New South Wales, Queensland and Victoria.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating management's processes and controls to assess the likely financial impact of legal proceedings; • Obtaining the Group's litigation reports and making enquiries about the status of litigation matters with Group management and external legal advisors; • Reviewing minutes of meetings of those charged with governance to identify their consideration of legal proceedings as relevant and correspondence between the Group and its external legal advisors; • Assessing management's determination of the provisions recorded for potential litigation losses and claims; and • Assessing the appropriateness of the disclosures in the financial statements.



Recoverability of deferred taxation assets

As disclosed in Note B4, deferred taxation assets were recognised to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilised.

In assessing the future taxable profits, management has made a forecast based on assumptions in relation to the future taxable income of the Group, thereby concluding on the recoverability of these assets.

The judgements and assumptions made by management in their assessment include the forecasted cash flows, the growth rates applied to those cash flows, identification of potential new projects and success rates for projects in tender as well as the Group's ability to execute these plans.

Due to the significant estimation uncertainty related to the future taxable income, the assessment of the recoverability of deferred tax assets is considered to be a matter of significance to our audit.

Our procedures included, but were not limited to:

- Evaluating management's assessment of forecast future taxable income, and the realisation of the deferred taxation asset, by evaluating the integrity of the 3 year cash flow forecast, and consistency of key inputs and assumptions with the going concern model;
- Evaluating the integrity of the forecast, including the review of the key inputs and assumptions (e.g. revenue, margin, EBITDA, capex, working capital changes) and assessing that these are both appropriate and consistently applied;
- Assessing management's ability to prepare reasonable forecasts by comparing previous budgets to actual results;
- Assessing management's analysis of the timing of the reversal of the deferred taxation asset against the forecast taxable income;
- Performing sensitivity analysis by adjusting the key assumptions (i.e. growth rate assumption on revenue and operating expense, gross margin assumption, working capital change assumptions) with a reasonable percentage to determine whether it would affect the utilisation of the deferred tax asset; and
- Assessing the appropriateness of the disclosures in the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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



Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 24 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of BSA Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be "LA De Rooij".

LA De Rooij
Partner
Chartered Accountants
Sydney, 23 August 2022

SHAREHOLDER INFORMATION

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 31 JULY 2022

A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

	Number of Holders	Ordinary Shares	Percentage Held	Number of Holders	Quoted Options	Percentage Held
1 to 1,000	197	57,271	0.01%	22	10,673	0.01%
1,001 to 5,000	516	1,587,766	0.28%	51	138,723	0.10%
5,001 to 10,000	300	2,321,185	0.41%	19	141,930	0.11%
10,001 to 100,000	733	29,920,418	5.22%	72	2,929,543	2.18%
100,001 and above	253	538,180,140	94.08%	44	131,143,134	97.60%
	1,999	572,066,780	100.00%	208	134,364,003	100.00%

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$500 parcel at \$0.0610 per unit	Shares	8,197	883
Minimum \$500 parcel at \$0.0610 per unit	Options	31,250	127

B. EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

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

Name of Holder	Ordinary Shares	
	Number Held	Percentage of Issued
NATIONAL NOMINEES LIMITED	202,958,400	35.48%
CITICORP NOMINEES PTY LIMITED	128,453,785	22.45%
BIRKETU PTY LTD	96,114,870	16.80%
SANDHURST TRUSTEES LTD <WENTWORTH WILLIAMSON A/C>	24,445,797	4.27%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,013,346	1.23%
EMELWIN PTY LTD <N & E YATES SUPER FUND A/C>	3,493,959	0.61%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	2,509,756	0.44%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	1,962,292	0.34%
EDINGTON PTY LIMITED <HERRING SUPER FUND A/C>	1,769,376	0.31%
CTSF PTY LTD <VC SUPERANNUATION FUND A/C>	1,675,945	0.29%
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,615,341	0.28%
MISS YAN LI	1,400,000	0.24%
LAYUTI PTY LTD <THE MOUATT SUPER FUND A/C>	1,388,888	0.24%
MR TIMOTHY HARRIS	1,302,105	0.23%
MR NICHOLAS KELVIN YATES	1,259,524	0.22%
VANWARD INVESTMENTS LIMITED	1,194,807	0.21%
MRS SUSAN ELIZABETH MCGREGOR	1,092,742	0.19%
MR GRAEME LESLIE HERRING + MRS JOAN HERRING	1,090,656	0.19%
BOND STREET CUSTODIANS LIMITED <MATZAN - D83505 A/C>	1,036,444	0.18%
MR MICHAEL SEAN NEWTON	1,000,000	0.17%
Top 20 Shareholders	482,778,033	84.39%
Total Shares Issued	572,066,780	100.00%

SHAREHOLDER INFORMATION

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 31 JULY 2022

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

Name of Holder	Options	
	Number Held	Percentage of Issued
NATIONAL NOMINEES LIMITED	64,570,458	48.06%
CITICORP NOMINEES PTY LIMITED	31,624,572	23.54%
BIRKETU PTY LTD	22,939,110	17.07%
WHOLESALE INVESTOR AFSL P/L <QSHARES MARKET NEUTRAL A/C>	820,000	0.61%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTIDIAN A/C>	805,000	0.60%
MR JIAMING QUI	722,200	0.54%
MR MATTHEW QI	722,200	0.54%
EMELWIN PTY LTD <N & E YATES SUPER FUND A/C>	500,000	0.37%
MR PAUL MERLO	500,000	0.37%
SERLETT PTY LTD <DILIGENT INV SUPER FUND A/C>	471,100	0.35%
MS XUEYAN QI	432,000	0.32%
MCEVOLUSSION PTY LTD <J & P MCNALLY S/FUND A/C>	423,990	0.32%
MR CHRISTOPHER LINDSAY BOLLAM	330,564	0.25%
DARMAL PTY LIMITED	329,770	0.25%
JM STARCEVICH INVESTMENTS PTY LTD	329,770	0.25%
JUSTFINE INVESTMENTS PTY LTD	329,770	0.25%
SAGARIS CAPITAL PTY LTD <ALL FOR THE BENTLEY FAM A/C>	329,770	0.25%
THE SPORTS CAFÉ AUSTRALIA PTY LTD	329,770	0.25%
BOND STREET CUSTODIANS LIMITED <MATZAN - D83505 A/C>	323,495	0.24%
SUPERHERO SECURITIES LIMITED <CLIENT A/C>	300,584	0.22%
Top 20 Option Holders	127,134,123	94.62%
Total Options Issued	134,364,003	100.00%

C. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are set out below:

	Ordinary Shares		Options	
	Number Held	Percentage	Number Held	Percentage
NAOS ASSET MANAGEMENT LIMITED	195,440,707	34.16%	57,120,458	42.51%
LANYON ASSET MANAGEMENT PTY LIMITED	128,272,954	22.42%	30,614,070	22.78%
BIRKETU PTY LTD	96,114,870	16.80%	22,939,110	17.07%

D. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person, or by proxy, shall have one vote and upon a poll each share shall have one vote.

(b) Quoted options

No voting rights.

(c) Rights over an ordinary share

No voting rights.

E. ON MARKET BUY-BACK

There is no current on-market buy back enabling the Company to buy-back shares over a 12 month period.



CORPORATE DIRECTORY

BSA Limited - Corporate

Registered Office (Sydney)

Advanced Property Solutions (APS) Communications & Utility Infrastructure (CUI)

Unit C4, Building C
Lidcombe Business Park
3-29 Birnie Avenue Lidcombe NSW

P +61 2 9763 6200

F +61 2 9763 6201

E corporate@bsa.com.au

W www.bsa.com.au

Share Registry

Computershare Investor Services

GPO Box 2975
Melbourne VIC 3001 Australia

P 1300 85 05 05

P +61 3 9415 4000

F +61 3 9473 2500

Auditor

Deloitte Touche Tohmatsu

225 George Street
Sydney NSW 2000

Financier

Commonwealth Bank of Australia

201 Sussex Street
Sydney NSW 2000

www.bsa.com.au