

## Appendix 4E – Final Report

|                                |                         |
|--------------------------------|-------------------------|
| Name of Entity:                | <b>TAMAWOOD LIMITED</b> |
| ABN:                           | <b>56 010 954 499</b>   |
| Financial Year Ended:          | <b>30 June 2021</b>     |
| Previous Corresponding Period: | <b>30 June 2020</b>     |

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

|   |    |        |    |  | <b>\$'000</b> |
|---|----|--------|----|--|---------------|
| Revenue from ordinary activities                                  | up | 6.43%  | to |  | 97,864        |
| Profit from ordinary activities after tax attributable to members | up | 44.18% | to |  | 6,455         |
| Net profit attributable to members                                | up | 44.18% | to |  | 6,455         |

### DIVIDENDS

|  | <b>Amount per security</b> | <b>Franking at 30% tax rate</b> | <b>Franked Amount per Security</b> |
|--|----------------------------|---------------------------------|------------------------------------|
| Final Dividend Paid 31 August 2020*              | 14 cents                   | 100%                            | 14 cents                           |
| Interim Dividend Paid 31 March 2021              | 11 cents                   | 100%                            | 11 cents                           |
| Proposed Final Dividend Payable 6 September 2021 | 13 cents                   | 100%                            | 13 cents                           |

\* The final fully franked dividend for FY20 was 14 cents made up of cash and in-specie distribution of SenterpriSys Limited shares (1 for 3 basis).

#### Dividend reinvestment plan

The dividend reinvestment plan was reinstated for the April 2019 interim and final dividend and remains in place for the upcoming dividend.

#### Brief explanation of revenue, net profit and dividends to enable the above figures to be understood

A review of operations for the Group is explained in the Chairman's Letter released with this Appendix 4E.

### FINANCIAL STATEMENTS

Refer to the attachments for the following financial statements:

- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows
- Consolidated Statement of Changes in Equity

## KEY FINANCIAL PERFORMANCE INDICATORS

|  | 2021        | 2020        |
|--|-------------|-------------|
| <b>Net tangible asset backing</b>  |             |             |
| Net tangible assets per ordinary security  | 67.96 cents | 59.16 cents |
| <b>Earnings per security</b>   |             |             |
| Basic earnings per share (cents)   | 22.39 cents | 16.21 cents |
| Diluted earnings per share (cents)   | 22.39 cents | 16.21 cents |
| Weighted average number of shares  | 28,312,713  | 27,612,589  |
| <b>Profits before tax as % of revenue</b>  |             |             |
| Consolidated profit from continuing operations before tax as a percentage of revenue | 9.42%       | 6.96%       |
| <b>Profit after tax as % of equity</b>   |             |             |
| Consolidated net profit after tax as a percentage of equity                          | 32.95%      | 27.45%      |

### Operating performance, segments and performance trends

Refer to the attachments for a review of operating performance.

## AUDIT & COMPLIANCE STATEMENT

The annual report is currently in the process of being audited and an unqualified opinion is expected to be issued.

This report, and the financial statements upon which it is based, use the same accounting policies.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

|  | Note | 2021<br>000's | 2020<br>000's |
|--|------|---------------|---------------|
| Revenue  | 3    | 97,864        | 91,947        |
| Other income                                       | 3    | 244           | 254           |
| Cost of sales                                      |      | (75,529)      | (72,227)      |
| Accrued expenses adjustment (Unbilled)             |      | 28            | (1,169)       |
| Employee benefits expense                          |      | (7,844)       | (7,076)       |
| Depreciation expense                               | 4    | (1,223)       | (1,217)       |
| Advertising  |      | (553)         | (393)         |
| Consultancy  |      | (595)         | (582)         |
| Rent expense                                       |      | (146)         | (148)         |
| Lease Interest Expense                             |      | (209)         | (241)         |
| Bad Debts  |      | -             | (54)          |
| Other operating expenses                           |      | (2,815)       | (2,690)       |
| <b>Profit before income tax</b>                    |      | <b>9,222</b>  | <b>6,404</b>  |
| Income tax expense                                 | 6    | (2,767)       | (1,927)       |
| <b>Profit for the year</b>                         |      | <b>6,455</b>  | <b>4,477</b>  |
| <b>Other comprehensive income</b>                  |      |               |               |
| Other comprehensive income for the year            |      | -             | -             |
| <b>Total comprehensive income for the year</b>     |      | <b>6,455</b>  | <b>4,477</b>  |
| <b>Profit attributable to:</b>                     |      |               |               |
| Members of the parent entity                       |      | 6,455         | 4,477         |
| <b>Total comprehensive income attributable to:</b> |      |               |               |
| Members of the parent entity                       |      | 6,455         | 4,477         |
| Earnings per share                                 |      |               |               |
| - Basic earnings per share                         | 32   | 22.39         | 16.21         |
| - Diluted earnings per share                       | 32   | 22.39         | 16.21         |

**Consolidated Statement of Financial Position**

As At 30 June 2021

|   | Note | 2021<br>000's | 2020<br>000's |
|---|------|---------------|---------------|
| <b>ASSETS</b>                                     |      |               |               |
| <b>Current Assets</b>                             |      |               |               |
| Cash and cash equivalents                         | 8    | 3,808         | 8,163         |
| Trade and other receivables                       | 9    | 5,220         | 5,469         |
| Uninvoiced completed works                        | 10   | 20,730        | 10,742        |
| Inventories - STC (Renewable energy certificates) | 11   | 41            | 152           |
| Other inventories                                 | 12   | 666           | 661           |
| Other assets                                      | 13   | 397           | 105           |
| Current tax assets                                | 20   | 1,511         | -             |
| <b>Total Current Assets</b>                       |      | <b>32,373</b> | <b>25,292</b> |
| <b>Non-Current Assets</b>                         |      |               |               |
| Investment in associates                          | 24   | 430           | 815           |
| Property, plant and equipment                     | 14   | 752           | 634           |
| Right of use assets                               | 15   | 4,135         | 4,681         |
| Deferred tax assets                               | 20   | 714           | 434           |
| <b>Total Non-Current Assets</b>                   |      | <b>6,031</b>  | <b>6,564</b>  |
| <b>TOTAL ASSETS</b>                               |      | <b>38,404</b> | <b>31,856</b> |
| <b>LIABILITIES</b>                                |      |               |               |
| <b>Current Liabilities</b>                        |      |               |               |
| Trade and other payables                          | 16   | 3,760         | 3,067         |
| Accrued expenses (Unbilled)                       | 17   | 3,404         | 3,432         |
| Provisions  | 19   | 617           | 612           |
| Current tax liabilities                           | 20   | -             | 14            |
| Lease liabilities                                 | 18   | 874           | 808           |
| <b>Total Current Liabilities</b>                  |      | <b>8,655</b>  | <b>7,933</b>  |
| <b>Non-Current Liabilities</b>                    |      |               |               |
| Lease liabilities                                 | 18   | 3,556         | 4,071         |
| Provisions  | 19   | 334           | 293           |
| Deferred tax liabilities                          | 20   | 6,269         | 3,223         |
| <b>Total Non-Current Liabilities</b>              |      | <b>10,159</b> | <b>7,587</b>  |
| <b>TOTAL LIABILITIES</b>                          |      | <b>18,814</b> | <b>15,520</b> |
| <b>NET ASSETS</b>                                 |      | <b>19,590</b> | <b>16,336</b> |

## Consolidated Statement of Financial Position

As At 30 June 2021

|  | Note | 2021<br>000's | 2020<br>000's |
|--|------|---------------|---------------|
| <b>EQUITY</b>  |      |               |               |
| Issued capital   | 21   | 11,426        | 7,647         |
| Reserves   | 22   | (479)         | (479)         |
| Retained earnings  |      | 8,495         | 9,020         |
| <b>Total equity attributable to equity holders of Tamawood Limited</b> |      | <b>19,442</b> | <b>16,188</b> |
| Non-controlling interest   |      | 148           | 148           |
| <b>TOTAL EQUITY</b>  |      | <b>19,590</b> | <b>16,336</b> |

**Consolidated Statement of Changes in Equity**

For the Year Ended 30 June 2021

**2021**

|  | Note | Ordinary<br>Shares<br>000's | Retained<br>Earnings<br>000's | General<br>Reserves<br>000's | Total<br>000's | Non-controll<br>ing Interests<br>000's | Total<br>000's |
|--|------|-----------------------------|-------------------------------|------------------------------|----------------|--|----------------|
| <b>Balance at 1 July 2020</b>                  |      | 7,647                       | 9,020                         | (479)                        | 16,188         | 148                                    | 16,336         |
| <b>Comprehensive income for the year</b>       |      |                             |                               |                              |                |  |                |
| Profit for the year                            |      | -                           | 6,455                         | -                            | 6,455          | -                                      | 6,455          |
| Other comprehensive income for the year        |      | -                           | -                             | -                            | -              | -                                      | -              |
| <b>Total comprehensive income for the year</b> |      | -                           | 6,455                         | -                            | 6,455          | -                                      | 6,455          |
| Shares issued during the year                  | 21   | 3,779                       | -                             | -                            | 3,779          | -                                      | 3,779          |
| Dividends paid                                 | 7    | -                           | (6,980)                       | -                            | (6,980)        | -                                      | (6,980)        |
| <b>Balance at 30 June 2021</b>                 |      | 11,426                      | 8,495                         | (479)                        | 19,442         | 148                                    | 19,590         |

**2020**

|  | Note | Ordinary<br>Shares<br>000's | Retained<br>Earnings<br>000's | General<br>Reserves<br>000's | Total<br>000's | Non-controll<br>ing Interests<br>000's | Total<br>000's |
|--|------|-----------------------------|-------------------------------|------------------------------|----------------|--|----------------|
| <b>Balance at 1 July 2019</b>                                      |      | 7,647                       | 4,682                         | (479)                        | 11,850         | 148                                    | 11,998         |
| Cumulative adjustment upon change in accounting policies (AASB 16) |      | -                           | (139)                         | -                            | (139)          | -                                      | (139)          |
| <b>Balance at 1 July 2019 - restated</b>                           |      | 7,647                       | 4,543                         | (479)                        | 11,711         | 148                                    | 11,859         |
| <b>Comprehensive income for the year</b>                           |      |                             |                               |                              |                |  |                |
| Profit for the year  |      | -                           | 4,477                         | -                            | 4,477          | -                                      | 4,477          |
| Other comprehensive income for the year                            |      | -                           | -                             | -                            | -              | -                                      | -              |
| <b>Total comprehensive income for the year</b>                     |      | -                           | 4,477                         | -                            | 4,477          | -                                      | 4,477          |
| <b>Balance at 30 June 2020</b>                                     |      | 7,647                       | 9,020                         | (479)                        | 16,188         | 148                                    | 16,336         |

## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

|   | Note | 2021<br>000's | 2020<br>000's |
|---|------|---------------|---------------|
| <b>Cash flows from operating activities</b>               |      |               |               |
| Receipts from customers (including GST)                   |      | 96,926        | 93,398        |
| Payments to suppliers and employees (including GST)       |      | (95,540)      | (87,485)      |
| Interest received   |      | 21            | 44            |
| Lease interest paid                                       |      | (209)         | (241)         |
| Income taxes paid   |      | (1,525)       | (1,015)       |
| Net cash from operating activities                        | 27   | (327)         | 4,701         |
| <b>Cash flows from investing activities</b>               |      |               |               |
| Proceeds from sale of property, plant and equipment       |      | 80            | 16            |
| Payments for property, plant and equipment                |      | (418)         | (70)          |
| Payment for investments in associates                     |      | (72)          | -             |
| Net cash used in investing activities                     |      | (410)         | (54)          |
| <b>Cash flows from financing activities</b>               |      |               |               |
| Repayment of lease liabilities                            |      | (900)         | (793)         |
| Dividend paid by parent entity                            |      | (2,718)       | -             |
| Net cash used in financing activities                     |      | (3,618)       | (793)         |
| Net increase (decrease) in cash and cash equivalents      |      | (4,355)       | 3,854         |
| Cash and cash equivalents at beginning of year            |      | 8,163         | 4,309         |
| <b>Cash and cash equivalents at end of financial year</b> | 8    | 3,808         | 8,163         |

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 3 Revenue and Other Income

Revenue from continuing operations

|  | Note | 2021<br>000's | 2020<br>000's |
|--|------|---------------|---------------|
| Sales revenue  |      |               |               |
| - Construction contract revenue  |      | 85,476        | 80,711        |
| - Uninvoiced completed works adjustment                                  |      | 9,885         | 2,719         |
| - Renewable energy certificates  |      | 1,163         | 7,343         |
| - Franchise revenue  |      | 846           | 678           |
| Other revenue  |      |               |               |
| - Interest revenue   |      | 21            | 44            |
| - Rental income  |      | 473           | 452           |
| <b>Total Revenue</b>   |      | <b>97,864</b> | <b>91,947</b> |
| Other Income   |      |               |               |
| Other  |      | 59            | 110           |
| Lease concession   |      | -             | 144           |
| Net gain/(loss) on disposal of property, plant, equipment and associates |      | 185           | -             |
| <b>Total other income</b>  |      | <b>244</b>    | <b>254</b>    |

Construction contract revenue includes \$85.5m (2020: \$80.7m) of revenue recognised for residential construction which are accounted for over time using the input method. All other revenue is recognised at a point in time.

### 4 Depreciation Expense

Component of depreciation expenses

|                               |    | 2021<br>000's  | 2020<br>000's  |
|-------------------------------|----|----------------|----------------|
| Right of use assets           | 15 | (996)          | (931)          |
| Property, plant and equipment | 14 | (227)          | (286)          |
|                               |    | <b>(1,223)</b> | <b>(1,217)</b> |



## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 6 Income Tax Expense

(a) Components of tax expense

|   | 2021<br>000's | 2020<br>000's |
|---|---------------|---------------|
| <b>Current tax expense</b>                                    |               |               |
| Current income tax  | -             | 1,115         |
| <b>Deferred tax expense</b>                                   |               |               |
| Relating to origination and reversal of temporary differences | 2,767         | 812           |
|   | <u>2,767</u>  | <u>1,927</u>  |

(b) Reconciliation of income tax to accounting profit

|  |              |              |
|--|--------------|--------------|
| Profit before income tax from continuing operations                                | 9,222        | 6,404        |
| Prima facie income tax expense at the statutory income tax rate of 30% (2020: 30%) | 2,767        | 1,921        |
| The following items have affected income tax expense for the period:               |              |              |
| Tax effect of:   |              |              |
| - permanent differences  | -            | 6            |
|  | <u>2,767</u> | <u>1,927</u> |

|                                  |     |     |
|----------------------------------|-----|-----|
| The applicable tax rate for 2021 | 30% | 30% |
|----------------------------------|-----|-----|

For the 2021 financial year, the effective tax rate is 30% (2020: 30.09%). We note that the 2021 effective tax rate is in line with the effective corporate tax rate.

### 7 Dividends

Dividends paid

|   | 2021<br>000's | 2020<br>000's |
|---|---------------|---------------|
| The following dividends were declared and paid:   |               |               |
| Final dividend of 14 cents (fully franked at 30%) per fully paid share paid 28 August 2020  | 3,867         | -             |
| Interim dividend of 11 cents (fully franked at 30%) per fully paid share paid 31 March 2021 | 3,113         | -             |
| <b>Total</b>  | <u>6,980</u>  | <u>-</u>      |

Total dividends per share

|   | 2021<br>Cents | 2020<br>Cents |
|---|---------------|---------------|
| Total dividends per share declared and paid | 25            | -             |

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 7 Dividends (cont)

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Franking account

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| Balance of franking account at year end  | 2,243         | 2,052         |
| <b>Adjusted for franking credits arising from:</b>                                 |               |               |
| Payment of provision for income tax  | (1,511)       | 14            |
| The franking credits available for subsequent financial years at a tax rate of 30% | <u>732</u>    | <u>2,066</u>  |

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The current franking credit balance as at 2021 is \$732,159

### 8 Cash and cash equivalents

|                                 | 2021<br>000's | 2020<br>000's |
|---------------------------------|---------------|---------------|
| Cash at bank                    | 2,886         | 3,268         |
| Short-term bank deposits        | 857           | 4,857         |
| Other cash and cash equivalents | 65            | 38            |
|                                 | <u>3,808</u>  | <u>8,163</u>  |

Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| Cash and cash equivalents                                  | <u>3,808</u>  | <u>8,163</u>  |
| <b>Balance as per consolidated statement of cash flows</b> | <u>3,808</u>  | <u>8,163</u>  |

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 9 Trade and other receivables

|  | Note | 2021<br>000's | 2020<br>000's |
|--|------|---------------|---------------|
| CURRENT  |      |               |               |
| Trade receivables                                |      | 379           | 277           |
| Construction contract progress bills receivable  |      | 4,871         | 5,222         |
| Trade and other receivables (impairments)        | 9(a) | (30)          | (30)          |
| <b>Total current trade and other receivables</b> |      | <b>5,220</b>  | <b>5,469</b>  |

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

|                                   |           |           |
|-----------------------------------|-----------|-----------|
| Balance at beginning of the year  | 30        | 60        |
| Reversal of provision             | -         | (30)      |
| <b>Balance at end of the year</b> | <b>30</b> | <b>30</b> |

(b) Aged analysis

The ageing analysis of trade receivables and construction contract progress bills receivable is as follows:

|                                    |              |              |
|------------------------------------|--------------|--------------|
| 0-30 days                          | 3,898        | 4,382        |
| 31-60 days                         | 552          | 206          |
| 61-90 days (past due not impaired) | 174          | 307          |
| 91+ days (past due not impaired)   | 626          | 604          |
|                                    | <b>5,250</b> | <b>5,499</b> |

The amounts past due date but not impaired are those customers with good credit history and are therefore not impaired.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**Notes to the Financial Statements**

For the Year Ended 30 June 2021

**10. Uninvoiced Completed Works**

|  | Note  | 2021<br>000's | 2020<br>000's |
|--|-------|---------------|---------------|
| CURRENT                                  |       |               |               |
| At cost:                                 |       |               |               |
| Inventories - Uninvoiced completed works | 10(a) | 21,004        | 11,119        |
| Less Provision for deleted jobs          |       | (274)         | (377)         |
|  |       | <u>20,730</u> | <u>10,742</u> |

Write downs of inventories to net realisable value during the year were \$ NIL (2020: \$ NIL).

## (a) Construction Contracts

As per the Group's accounting policy, construction work in progress consists of construction costs incurred and recognised profits, less recognised losses and progress claims invoiced.

|   | 2021<br>000's | 2020<br>000's |
|---|---------------|---------------|
| Contract costs incurred plus recognised profits | 64,510        | 44,197        |
| Less: Progress claims                           | (43,506)      | (33,078)      |
|   | <u>21,004</u> | <u>11,119</u> |

## (b) Movement in uninvoiced completed works

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| Opening balance                          | 11,119        | 8,400         |
| Additions                                | 95,361        | 83,430        |
| Transfers to trade and other receivables | (85,476)      | (80,711)      |
| <b>Closing balance</b>                   | <u>21,004</u> | <u>11,119</u> |

**11 Inventories - STC (Renewable energy certificates)**

|   | 2021<br>000's | 2020<br>000's |
|---|---------------|---------------|
| CURRENT   |               |               |
| At cost:  |               |               |
| Inventories - STC (Renewable energy certificates) | 41            | 152           |
|   | <u>41</u>     | <u>152</u>    |

**Notes to the Financial Statements**

For the Year Ended 30 June 2021

**12 Other Inventories**

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| CURRENT                                  |               |               |
| At cost:                                 |               |               |
| Display home and home available for sale | 664           | 659           |
| New South Wales developments (Land)      | 2             | 2             |
|  | <u>666</u>    | <u>661</u>    |

**13 Other assets**

|                                | 2021<br>000's | 2020<br>000's |
|--------------------------------|---------------|---------------|
| CURRENT                        |               |               |
| Prepayments and other deposits | 397           | 105           |
|                                | <u>397</u>    | <u>105</u>    |

**14 Property, plant and equipment**

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| <b>Motor vehicles</b>                      |               |               |
| At cost                                    | 1,021         | 930           |
| Accumulated depreciation                   | (492)         | (546)         |
| <b>Total motor vehicles</b>                | <u>529</u>    | <u>384</u>    |
| <b>Office furniture &amp; equipment</b>    |               |               |
| At cost                                    | 619           | 933           |
| Accumulated depreciation                   | (480)         | (777)         |
| <b>Total office equipment</b>              | <u>139</u>    | <u>156</u>    |
| <b>Computer software</b>                   |               |               |
| At cost                                    | 71            | 73            |
| Accumulated depreciation                   | (62)          | (47)          |
| <b>Total computer software</b>             | <u>9</u>      | <u>26</u>     |
| <b>Leasehold Improvements</b>              |               |               |
| At cost                                    | 98            | 86            |
| Accumulated depreciation                   | (23)          | (18)          |
| <b>Total leasehold improvements</b>        | <u>75</u>     | <u>68</u>     |
| <b>Total property, plant and equipment</b> | <u>752</u>    | <u>634</u>    |

**Notes to the Financial Statements**

For the Year Ended 30 June 2021

**14 Property, plant and equipment (cont)**

- (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| <b>Consolidated</b>                   | <b>Motor<br/>Vehicles<br/>000's</b> | <b>Office<br/>Equipment<br/>000's</b> | <b>Computer<br/>Software<br/>000's</b> | <b>Lease Hold<br/>Improvement<br/>s<br/>000's</b> | <b>Total<br/>000's</b> |
|---------------------------------------|-------------------------------------|---------------------------------------|--|---|------------------------|
| <b>Year ended 30 June 2021</b>        |                                     |                                       |  |   |                        |
| Balance at the beginning of year      | 384                                 | 156                                   | 26                                     | 68  | 634                    |
| Additions                             | 337                                 | 69                                    | -                                      | 12  | 418                    |
| Disposals - written down value        | (70)                                | (3)                                   | -                                      | -   | (73)                   |
| Depreciation expense                  | (122)                               | (83)                                  | (17)                                   | (5)   | (227)                  |
| <b>Balance at the end of the year</b> | <b>529</b>                          | <b>139</b>                            | <b>9</b>                               | <b>75</b>   | <b>752</b>             |
| <b>Year ended 30 June 2020</b>        |                                     |                                       |  |   |                        |
| Balance at the beginning of year      | 509                                 | 244                                   | 45                                     | 78  | 876                    |
| Additions                             | 23                                  | 36                                    | 11                                     | -   | 70                     |
| Disposals - written down value        | (16)                                | (10)                                  | -                                      | -   | (26)                   |
| Depreciation expense                  | (132)                               | (114)                                 | (30)                                   | (10)  | (286)                  |
| <b>Balance at the end of the year</b> | <b>384</b>                          | <b>156</b>                            | <b>26</b>                              | <b>68</b>   | <b>634</b>             |

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 15 Right of use assets

|                                   | 2021<br>000's | 2020<br>000's |
|-----------------------------------|---------------|---------------|
| Land and buildings - Right of use | 6,001         | 5,612         |
| Less: Accumulated depreciation    | (1,866)       | (931)         |
|                                   | <u>4,135</u>  | <u>4,681</u>  |

Additions to the right-of-use assets during the year were \$451,050.

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

### 16 Trade and other payables

|                       | 2021<br>000's | 2020<br>000's |
|-----------------------|---------------|---------------|
| CURRENT               |               |               |
| Unsecured liabilities |               |               |
| Trade payables        | 3,675         | 3,003         |
| Other payables        | 40            | 33            |
| Dividend payable      | 45            | 31            |
|                       | <u>3,760</u>  | <u>3,067</u>  |

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

### 17 Unbilled accrued expenses

|                             | 2021<br>000's | 2020<br>000's |
|-----------------------------|---------------|---------------|
| CURRENT                     |               |               |
| Accrued expenses (Unbilled) | 3,404         | 3,432         |
|                             | <u>3,404</u>  | <u>3,432</u>  |

### 18 Lease Liabilities

|                                 | 2021<br>000's | 2020<br>000's |
|---------------------------------|---------------|---------------|
| Lease liabilities - Current     | 874           | 808           |
| Lease liabilities - Non-current | <u>3,556</u>  | <u>4,071</u>  |

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 19 Provisions

|                                | 2021<br>000's               | 2020<br>000's          |
|--------------------------------|-----------------------------|------------------------|
| <b>CURRENT</b>                 |                             |                        |
| Employee benefits              | 617                         | 612                    |
| <b>NON-CURRENT</b>             |                             |                        |
| Warranties                     | 150                         | 150                    |
| Employee benefits              | 184                         | 143                    |
|                                | <b>334</b>                  | <b>293</b>             |
|                                |                             |                        |
|                                | <b>Warranties<br/>000's</b> | <b>Total<br/>000's</b> |
| Opening balance at 1 July 2020 | 150                         | 150                    |
| Additional provisions          | -                           | -                      |
| <b>Balance at 30 June 2021</b> | <b>150</b>                  | <b>150</b>             |

#### Provision for Warranties

A provision of \$150,000 at 30 June 2021 (2020: \$150,000) has been recognised for estimated warranty claims in respect of houses constructed and products sold which are still under the statutory warranty period as at balance sheet date. The statutory warranty period as stated with the Queensland Building and Construction Commission is between 6 and 7 years of completed building work. The provision for warranties has been based upon total sales for the past year and the history of claims made to date.

#### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current as the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.



**Notes to the Financial Statements**

For the Year Ended 30 June 2021

**20 Tax**

|  |  |                |                   |                |
|--|--|----------------|-------------------|----------------|
| (a) Current tax asset / (liabilities)              |  |                |                   |                |
|  |  | <b>2021</b>    | <b>2020</b>       |                |
|  |  | <b>000's</b>   | <b>000's</b>      |                |
|  | Income tax refundable / (payable)              | 1,511          | (14)              |                |
|  |  | <b>1,511</b>   | <b>(14)</b>       |                |
| (b) Recognised deferred tax assets and liabilities |  |                |                   |                |
|  |  | <b>2021</b>    | <b>2020</b>       |                |
|  |  | <b>000's</b>   | <b>000's</b>      |                |
|  | Deferred tax assets                            | 714            | 434               |                |
|  |  | <b>714</b>     | <b>434</b>        |                |
|  | Deferred tax liabilities                       | 6,269          | 3,223             |                |
|  |  | <b>6,269</b>   | <b>3,223</b>      |                |
| (c) Deferred tax assets                            |  |                |                   |                |
|  |  | <b>Opening</b> | <b>Charged to</b> | <b>Closing</b> |
|  |  | <b>Balance</b> | <b>Income</b>     | <b>Balance</b> |
|  |  | <b>000's</b>   | <b>000's</b>      | <b>000's</b>   |
|  | <b>Deferred tax assets</b>                     |                |                   |                |
|  | Provisions                                     | 54             | -                 | 54             |
|  | Employee benefits                              | 226            | 15                | 241            |
|  | Accrued expenses                               | 16             | (1)               | 15             |
|  | Deferred tax assets attributable to tax losses | 55             | 250               | 305            |
|  | Plant and equipment                            | 10             | (10)              | -              |
|  | Lease  | 60             | 29                | 89             |
|  | Other  | 13             | (3)               | 10             |
|  | <b>Balance at 30 June 2021</b>                 | <b>434</b>     | <b>280</b>        | <b>714</b>     |
|  | Provisions                                     | 63             | (9)               | 54             |
|  | Employee benefits                              | 206            | 20                | 226            |
|  | Accrued expenses                               | 16             | -                 | 16             |
|  | Deferred tax assets attributable to tax losses | 67             | (12)              | 55             |
|  | Plant and equipment                            | 5              | 5                 | 10             |
|  | Lease  | 66             | (6)               | 60             |
|  | Other  | 13             | -                 | 13             |
|  | <b>Balance at 30 June 2020</b>                 | <b>436</b>     | <b>(2)</b>        | <b>434</b>     |

**Notes to the Financial Statements**

For the Year Ended 30 June 2021

**20 Tax (cont)**

(d) Deferred tax liability

|                                | Opening<br>Balance<br>000's | Charged to<br>Income<br>000's | Closing<br>Balance<br>000's |
|--------------------------------|-----------------------------|-------------------------------|-----------------------------|
| <b>Deferred tax liability</b>  |                             |                               |                             |
| Uninvoiced completed works     | 3,223                       | 2,996                         | 6,219                       |
| Property, plant and equipment  | -                           | 50                            | 50                          |
| <b>Balance at 30 June 2021</b> | <b>3,223</b>                | <b>3,046</b>                  | <b>6,269</b>                |
| Uninvoiced completed works     | 2,413                       | 810                           | 3,223                       |
| <b>Balance at 30 June 2020</b> | <b>2,413</b>                | <b>810</b>                    | <b>3,223</b>                |

**21 Issued Capital**

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| 28,826,782 (2020: 27,612,589) Ordinary shares fully paid | 11,426        | 7,647         |
|  | <b>11,426</b> | <b>7,647</b>  |

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(a) Movement in ordinary shares

|   | 2021<br>000's | 2020<br>000's |
|---|---------------|---------------|
| At the beginning of the reporting period                                    | 7,647         | 7,647         |
| Shares issued during the year   |               |               |
| - Dividend re-investment  | 3,628         | -             |
| - Shares issued under the Employee Share Scheme and Customer reward program | 151           | -             |
| <b>At the end of the reporting period</b>                                   | <b>11,426</b> | <b>7,647</b>  |

|   | 2021<br>No.       | 2020<br>No.       |
|---|-------------------|-------------------|
| At the beginning of the reporting period  | 27,612,589        | 27,612,589        |
| Shares issued during the year             |                   |                   |
| - Dividend re-investment                  | 1,161,793         | -                 |
| - Customer reward program                 | 52,400            | -                 |
| <b>At the end of the reporting period</b> | <b>28,826,782</b> | <b>27,612,589</b> |

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 21 Issued Capital (cont)

#### (b) Capital Management

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

The Group is required to maintain a current ratio greater than 1:1 under its licensing conditions with the Queensland Building and Construction Commission and the NSW Home Owners Warranty Scheme.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the statement of financial position.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

#### (c) Dividend Re-investment Plan

The Dividend Re-investment Plan was reinstated on 18 April 2019 and remains in place since that date.

### 22 Reserves

|   | 2021<br>000's | 2020<br>000's |
|---|---------------|---------------|
| <b>Transactions with Non-Controlling Interest (NCI) reserve</b> |               |               |
| Opening balance   | (479)         | (479)         |
| <b>Ending balance</b>   | <b>(479)</b>  | <b>(479)</b>  |

The Transactions with NCI Reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

### 24 Investment in Associates

|   | Principal place of<br>business / Country of<br>Incorporation | Percentage<br>Owned (%)*<br>2021 | Percentage<br>Owned (%)*<br>2020 |
|---|--|----------------------------------|----------------------------------|
| <b>Associates:</b>                              |  |                                  |                                  |
| Senterprisys Limited (Formerly Resiweb Limited) | Brisbane, Australia  | 10.23                            | 23.13                            |

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

All associates have the same year end as the parent entity.

There are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the entity.

#### **Senterprisys Limited (Formerly Resiweb Limited)**

Senterprisys Limited is a public company that is developing a software system including back-office and client interface processes to support small home builders. The Group's interest in the company represents a strategic investment.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 27 Cash Flow Information

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

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| Profit after income tax for the year                           | 6,455         | 4,477         |
| Adjustments for non-cash items in profit:                      |               |               |
| - depreciation   | 1,223         | 1,217         |
| - net (gain)/loss on disposal of property, plant and equipment | (5)           | 10            |
| - net (gain)/loss on distribution of in-specie shares          | (178)         | -             |
| - customer reward program                                      | 151           | -             |
| Provision for impairment of receivables                        | -             | 30            |
| AASB16 transition adjustment                                   | -             | (139)         |
| Net changes in assets and liabilities:                         |               |               |
| - (increase)/decrease in trade and other receivables           | 249           | (64)          |
| - (increase)/decrease in prepayments                           | (292)         | (76)          |
| - (increase)/decrease in inventories                           | 106           | (21)          |
| - (increase)/decrease in uninvoiced completed works            | (9,988)       | (2,700)       |
| - (increase)/decrease in deferred tax assets                   | (280)         | (64)          |
| - increase/(decrease) in trade and other payables              | 693           | (105)         |
| - increase/(decrease) in income taxes payable                  | (1,525)       | 100           |
| - increase/(decrease) in deferred tax liabilities              | 3,046         | 810           |
| - increase/(decrease) in provisions                            | 46            | 68            |
| - increase/(decrease) in unbilled accrued expenses             | (28)          | 1,170         |
| - increase/(decrease) in other payable                         | -             | (12)          |
| <b>Net cash from operating activities</b>                      | <b>(327)</b>  | <b>4,701</b>  |

### 32 Earnings per Share

(a) Earnings used to calculate overall earnings per share

|  | 2021<br>000's | 2020<br>000's |
|--|---------------|---------------|
| Profit attributable to members of the parent entity used in the calculation of basic and diluted EPS | 6,455         | 4,477         |

(b) Weighted average number of shares used

|  | 2021<br>No. | 2020<br>No. |
|--|-------------|-------------|
| Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS | 28,312,713  | 27,612,589  |