ANNUAL FINANCIAL REPORT

2021

Cobre Copper Mine, Panama

This Financial Report is the Consolidated Financial Report of the Company consisting of Lycopodium Limited and its subsidiaries. The Financial Report is presented in the Australian currency.

Lycopodium Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Lycopodium Limited
Level 5, 1 Adelaide Terrace
East Perth
Western Australia 6004

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report, which is not part of this Financial Report.

The Financial Report was authorised for issue by the Directors on 24 August 2021.

Via our website, we have ensured that our corporate reporting is timely and complete. All announcements, Financial Reports and other information is available in the Investor Relations section of our website.

lycopodium.com

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Directors' Report

The Directors present their report to the members, together with the Audited Consolidated Financial Statements of Lycopodium Limited (the 'Company') and its subsidiaries, for the financial year ended 30 June 2021 and the Statement of Financial Position of the Group as at 30 June 2021.

DIRECTORS

The following persons were Directors of Lycopodium Limited during the financial year and up to the date of this report:

Michael John Caratti
Peter De Leo
Rodney Lloyd Leonard
Robert Joseph Osmetti
Bruno Ruggiero
Karl Anthony Cicanese *(appointed 23 November 2020)*
Lawrence William Marshall
Steven John Micheil Chadwick
Peter Anthony Dawson *(resigned 28 July 2020)*

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of the provision of engineering and project delivery services in the Resources, Infrastructure and Industrial Processes sectors. There were no significant changes in the nature of the Group's principal activities during the financial year.

DIVIDENDS

Dividends paid to members during the financial year were as follows:

Yaouré Gold Project, Côte d'Ivoire

	2021 $	2020 $
Final fully franked dividend for the year ended 30 June 2020 of 5.0 cents (2019: 15.0 cents) per fully paid share paid on 9 October 2020 (2019: 11 October 2019)	**1,987,011**	5,959,856
Interim fully franked dividend for the year ended 30 June 2021 of 10.0 cents (2020: 15.0 cents) per fully paid share paid on 8 April 2021 (2020: 7 April 2020)	**3,974,022**	5,959,856
	5,961,033	11,919,712

In addition to the above dividends, since the end of the financial year the Directors have recommended the payment of a final fully franked dividend of $5,961,034 (15.0 cents per fully paid share) to be paid on 8 October 2021 out of retained earnings at 30 June 2021 (2020: $1,987,011). This brings the total dividend declared for the year ended 30 June 2021 to 25.0 cents (2020: 20.0 cents).

Lycopodium Perth Office

Although the world as we know it has been upended since the emergence of COVID, we have continued to service our clients and their projects very effectively.

Review of Operations

Faced with the significant challenges presented by the onset of the global coronavirus pandemic during the latter half of the financial year, our ability to continue to provide our clients with the high quality of service they have come to expect from Lycopodium is a testament to the resilience and adaptability of our people.

FULL YEAR RESULTS

For the financial year ended 30 June 2021, Lycopodium generated revenue of $162.2 million and a net profit after tax of $14.2 million. The Directors have resolved to pay a final dividend of 15 cents per share, which is in line with the dividend policy. The total dividend for the year is 25 cents fully franked.

ACTIVITIES FOR THE PAST YEAR

In spite of the disruptions and uncertainties of the past year, we have continued to win work with existing and new clients across our core operating sectors of Resources, Infrastructure and Industrial Processes. This has seen us welcome a growing number of new people into the business in our Perth, Brisbane, Newcastle, Melbourne, Toronto, Manila and Cape Town offices.

Our commitment to improving organisational connectedness to support greater collaboration across the Company has seen the ongoing embedment of our Corporate Shared Services model during FY2021, supporting standardisation across the business for key functions, including Finance, Information Technology and Business Systems, People, Marketing and Communications and Legal. Furthermore, our Technical Assurance Group (TAG) has supported consistency in approach across processes and procedures, enabling us to workshare effectively and fully leverage the specialist expertise of our people, regardless of where they are geographically located.

Fundamental to our business success is attracting, engaging and retaining a high-performing, professional workforce. Throughout the year, recruitment, talent management, leadership and succession planning and learning and development have been key areas of focus to support this.

With a desire to foster a culture of enquiry and innovation, we have introduced a quarterly, internal innovation award.

Review of Operations

The award is presented to an individual or team who has thought outside the square or challenged a convention, introducing an idea that inspires us and has the potential to positively impact the business.

During the year, we embarked on a new strategic initiative to develop a more formalised footprint in the renewable energy sector. This new service offering, Lycopodium Energy, provides services to our existing and new clients to ultimately achieve net zero carbon emissions by developing and delivering a compliant decarbonisation pathway that is specific to the needs of their organisation and its stakeholders. While this is an early stage initiative, we believe it will position us to play a meaningful role in this growing sector in the future.

OUTLOOK

Our strategy at the onset of the pandemic was to focus on our established relationships to secure ongoing work with key clients. This strategy has served us well over the past 18 months, with the award of a number of projects on the back of completing earlier study works. We will continue to cultivate existing and new relationships with selected clients on the basis of establishing long-term, trusted partnerships.

As the global economy continues to rebound from the impact of the pandemic, the resources sector is showing positive signs of recovery across a range of commodities, with base metal prices returning to above pre-COVID levels amid strong demand.

The value of iron ore reached an all-time high in FY2021, as economic activity resurged in China and other advanced economies. With ongoing tightness in global iron ore supply and South American production substantially impacted by the pandemic and other factors, Australian producers were able to capitalise, paving the way for ongoing new development and sustaining capital opportunities to keep pace with demand. Investor demand for gold has also remained high as a result of the prevailing uncertainty stemming from the pandemic, and therefore development activity remains strong.

Resources used in new and low emission technologies, including the production of electric vehicles, will see increasing demand for associated commodities. With a focus on expanding Australia's capability to participate more broadly across the battery industries value chain, development of copper, nickel cobalt, graphite, vanadium and lithium resources and associated downstream investment is anticipated.

In the infrastructure sector, we are continuing to support clients within our core service offering across rail infrastructure management (RIM), non-process infrastructure and infrastructure related asset management. Given the perpetual nature of this work, we have developed long-term relationships with a core client base and as these partnerships continue to grow and mature over time, so too will the value-add we can offer, further strengthening our position as a trusted partner.

With a shift to a domestic manufacturing focus in response to the pandemic, new opportunities in the industrial processes sector have emerged, including for base vaccine component production facilities. We are also continuing to pursue opportunities in emerging markets, including waste and recycling, water and wastewater and hydrogen.

OPERATIONAL HIGHLIGHTS

As the pandemic continued to take hold during FY2021 we remained focused on the ongoing delivery of our work in hand, in addition to securing new opportunities. Pleasingly, and a testament to the resilience and commitment of our people amidst the many challenges COVID presented, project delivery remained on track and during the period we secured a number of new awards.

Resources

In the past 12 months we have worked across most major commodities, including iron ore, gold, copper, nickel, lithium, graphite, diamonds, platinum and mineral sands. These projects are spread across the globe, however have predominantly been in Africa, Australia, Southeast Asia and North and Central America.

The completion of Perseus' Yaouré Gold Mine in Côte d'Ivoire, delivered ahead of schedule and under budget despite the pandemic, was a significant achievement for the business. Full-scale construction commenced in the September quarter of 2019, with COVID-19 manifesting globally only a few months later. Despite this, construction continued throughout 2020 and the stretch target of first gold in December 2020 was achieved. Success was only possible because of the commitment of our people and their willingness to stay on site and keep delivering the project, and through the strength of our relationship with Perseus, working alongside them to drive best-for-project outcomes.

Yaouré Gold Project, Côte d'Ivoire

In December 2020, we were awarded the contract to provide Engineering and Procurement (EP) services for Sandfire's Motheo Copper Project in Botswana, following our earlier completion of the Definitive Feasibility Study (DFS) and Front End Engineering and Design (FEED). Since award of the EP, the Construction Management (CM) component of the project has been added to our scope, making it full Engineering, Procurement and Construction Management (EPCM) delivery.

In early January, we were awarded the contract to provide EPCM services for Orezone's Stage 1 Oxide Process Plant for the Bomboré Gold Project in Burkina Faso. Drawing on our specialist expertise in Australia, Canada and Burkina Faso to deliver this significant project, the initial study work and FEED for the project was undertaken out of our Toronto office.

Having been involved in Newmont's Ahafo North project in Ghana since inception, including the initial study work, we were awarded the contract to provide Engineering and Procurement Management (EPM) services on the project in April 2021 and have subsequently been awarded the full EPCM services. The project has a significant infrastructure component and represents the continuation of our long involvement with Newmont since the late 1990's.

During FY2021, our Toronto office further solidified relationships with a number of key major clients based in the Americas. In particular, the award by Roxgold for the design, supply and project delivery of the processing plant and associated infrastructure for its Séguéla Gold Project in Côte d'Ivoire represented a major step forward in realising our goal of building a global minerals hub.

Other projects being managed by our Toronto office that are driving the growth and development of our Canadian operations include the Boto Gold Project in Senegal for IAMGOLD, for which we are providing EP services, and ongoing work with Equinox Gold in the expansion of its Los Filos Gold Mine in Mexico, having competed the FS for the optimised design.

ADP Marine & Modular (ADP), our specialist subsidiary in Cape Town, has been progressing a number of projects for Anglo American and its subsidiary company De Beers in South Africa, Namibia and Botswana. These include the Venetia Mine Grease Plant Project EPC and several advanced stage studies utilising dynamic simulation expertise we have been developing out of Cape Town over the past few years.

Throughout the year, Mondium, Lycopodium's incorporated joint venture with Monadelphous, has continued to deliver the EPC scope for Rio Tinto's Western Turner Syncline Phase 2 iron ore project in the Pilbara region of Western Australia, with completion of this significant project later this year. Mondium is also continuing to deliver the EPC contract for Talison Lithium's Tailings Retreatment Project, a critical element in the expansion of its Greenbushes operation in the south-west of Western Australia.

Review of Operations

Parkes Level Crossing Upgrade, New South Wales

Infrastructure

In Infrastructure, we continue to work with some of Australia's largest rail operators, in both passenger and freight rail systems.

Servicing greenfield and brownfield rail projects, we provided design, engineering, technical advisory and RIM services to various clients, including Pacific National, Crawford Freightlines, New South Wales' Country Regional Network (CRN) and the Australian Rail Track Corporation's (ARTC) Inland Rail initiative.

We have also continued to support Main Roads Western Australia (MRWA), providing Project Management services for the Swan River Crossings (Fremantle Road and Rail) project. This complex and challenging project involves the interface of road, passenger and freight rail, maritime, pedestrians and cyclists, together with heritage and environmental considerations.

Industrial Processes

Our Industrial Processes business continues to leverage its expertise in the provision of projects and engineering services in the areas of specialty chemicals, pharmaceutical, food and beverage production and heat/ mass transfer.

In the past 12 months our Industrial Processes team, based in Melbourne, has provided specialist services to Boeing in its aerospace component manufacturing facilities, Kawasaki in Hydrogen related facilities, Commonwealth Serum Laboratories for plasma and blood products as well as base vaccine component production facilities, Thales in defence and munitions, Lamb Weston in food and beverage production, and Energy Australia in the replacement of its gaseous ammonia facility to an aqueous ammonia facility.

INNOVATION

Our talented and resourceful people are always thinking of ways to do things better, more efficiently and more sustainably.

As a business, we want to nurture and support our staff, and therefore in 2021 we launched the Lycopodium Innovation Award and the Innovation Hub on our intranet, to recognise the great work of our people and share news of the innovative work being done across the business.

Dry Mining Unit

The idea for the Dry Mining Unit (DMU) was first conceptualised by the ADP team several years ago, finally moving into the development stage following a competitive global tender process undertaken over the past 12 months. Winning the rights to develop the concept into reality, the technology will be implemented at the Grande Côte mineral sands operation, the largest single dredge mineral sands operation in the world, in Senegal.

The DMU represents the radical marriage of proven underwater track crawler technology with high capacity skid-mounted materials handling and sand pumping systems, into a single 400 ton remotely controlled mobile sand processing machine.

The unit allows for large tonnage of run-of-mine (ROM) material to be pumped cost effectively to processing facilities. It is relocatable in a few hours and therefore reduces tramming distance and costs for front end loaders (FELs).

The technology represents an innovative OPEX saving asset for clients in the mineral sands environment and could also be used in other operations where sand or fine overburden material can be slurried and pumped to either a concentrator plant or a tailings facility. The cost advantage to conventional tramming is substantial, with the machine relocated weekly to keep FEL tramming distance to a minimum thereby maintaining low OPEX and enhancing client profitability.

The DMU is currently being manufactured and will be fully trial assembled and tested in Cape Town in February 2022 and then disassembled and sent to site in Senegal for commissioning in May 2022.

The DMU was the inaugural winner of the Lycopodium Innovation Award.

Digital Twin

ADP is also leading brownfield optimisation work and greenfield plant design using advanced digital technology and engineering for process simulation and control.

The company has been working collaboratively with a Tier 1 client over the past 18 months to develop a connected digital twin using dynamic simulation and other leading-edge integration software and specialist proprietary applications (apps) tailored to specific minerals of interest.

The connected digital twin approach, whereby the plant is engineered as a static digital twin (digital replica of the asset) using augmented reality and virtual reality technology, enables the static digital twin to be the primary interface for operations and plant maintenance, linked to the connected digital twin running in the background.

It enables operator training via a simulator and thereafter to be connected into the live operational data via the client's Internet of Things global platform. We are working closely with client in-house experts in advanced process control and data analytics as well as with software experts from the various software service providers in order to ensure optimal, client-specific requirements are achieved.

Artificial intelligence software can be used on live operational data to optimise the predictive capability of the simulator, which is able to run predictive models many times faster than real-time. The simulator is dynamically linked to the mine plans and utilises geo-metallurgical data to predict and optimise plant performance and blending. This enables the client to maximise return on capital over the life of the mine, taking market considerations into account when optimising mine plans based on high fidelity plant constraint modelling.

This software technology, combined with the specialist in-house skills developed in its use, will provide Lycopodium with the added benefit of facilitating far more extensive and cost-effective options analysis and scenario planning during the project study phases. This initiative will therefore provide many of our clients with a vast array of project whole-of-life benefits that will lead to better designs and more efficient operations in the future.

ATA™ Technology

ADP has designed and constructed a unit to implement ATA™ technology on a mine site. Developed by Soane Energy, ATA™ comprises three basic components – an Activator polymer, a Tether polymer and an Anchor particle – to convert mineral waste slurry into two discrete products, being a dewatered solid that possesses sufficient mechanical integrity for landfill, construction and/or reclamation, and a clean water stream that can

Dry Mining Unit

Review of Operations

be immediately reused on site. Recycling the clean water significantly decreases the need for fresh water intake.

The unit is containerised and designed for easy relocation for test work at different facilities. It receives slimes online and measures and tests all process variables as the sample is treated using the ATA™ process. Designed to cater for a wide range of feed geologies, it also simulates various types of processes that are used in the full scale plant. The unit is currently in test phase at the Orapa diamond mine in Botswana and all process data currently being recorded will be used to generate a design envelope for the full system.

Orway IQ

Orway IQ (OIQ), a collaboration between Process IQ and Orway Mineral Consultants (OMC), a wholly-owned subsidiary of Lycopodium Limited, is continuing to roll out its MillROC (Mill Remote Optimisation Consulting and Coaching) platform. This online platform provides customised data analysis and dashboards and is used by OIQ's specialist metallurgists and advanced process control consultants to deliver real-time coaching and implementation of continuous improvement.

Over the past 12 months, the OIQ business has increased in size substantially and now services 15 projects in nine countries around the world. Of note, Perseus' Yaouré mine is the first project to be purpose-built 'MillROC ready'.

Based initially around comminution circuit optimisation, OIQ is now looking to roll out similar services on two of the projects the technology is currently being implemented on, looking at the entire process plant. For one of these projects, OIQ is part of a METS Ignited collaborative team using automated carbon measurement and online gold assaying instrumentation to provide real-time analysis of a gold circuit, a first for the gold industry. Corporate level dashboards are also being looked at for two clients, with OIQ already monitoring all of their mineral processing plants with MillROC.

As a consequence of the pandemic, the remote control of operating plants, already a feature of the iron ore industry, is likely to become even more widespread. OIQ sees continual growth for the company based on its remote control comminution circuit and expanded plant optimisation services.

FBICRC

Australia provides approximately 40% of global lithium concentrate but captures very little of the value extracted from battery minerals along the full value chain.

As a key participant in the Future Battery Industries Cooperative Research Centre (FBICRC) based at Curtin University in Western Australia, we are collaborating with researchers, governments and the community to ensure Australia plays a leading role in the global battery revolution, with the development of capability that will enable participation more broadly across the value chain.

Yaouré computer donation to the Youth Institution for Education, Côte d'Ivoire

Review of Operations

Of the 16 foundation projects being pursued under the FBICRC, we are directly participating in five of these:

- Innovative Nickel and Cobalt Extraction Technologies
- Enhancing Lithium Extraction
- Cathode Precursor Production Pilot Plant in Western Australia
- Chemical Processing of Vanadium and Manganese Ores for Battery Materials
- Recycling, Reuse and Repurposing of Spent Batteries

Our commitment includes the provision of funding and specialist expertise over the next five years.

HSE AND COMMUNITY

Delivering projects safely for our clients remains a fundamental metric of success and our excellent safety performance is a credit to our delivery teams on the ground.

Having successfully completed our largest EP(C) contract to-date in FY2021, being the Yaouré Gold Project in Côte d'Ivoire, we have maintained our strong safety performance during the year, with a Lost Time Injury Frequency Rate (LTIFR) of zero for 1.9 million manhours controlled. This significant achievement is against a 7.6 Australian construction industry average.

Our engagement with the communities within which we live and work is an integral part of how we like to do business. In late FY2021, we established the Lycopodium Foundation, to provide a formal vehicle for the administration of our philanthropic, community engagement and sponsorship activities.

A key pillar of our engagement strategy is to support social development and education and therefore our partnerships with the Murlpirrmarra Connection and BASICS International remain ongoing. Murlpirrmarra specifically supports the education, self-esteem, life skills and employment prospects of young Aboriginal and Torres Strait Islander people. BASICS International is a non-government organisation (NGO) based in Ghana committed to protecting the basic human rights of children to education, shelter, food and safety. Also in Africa, we supported the Youth Institution for Education, which is focused on promoting youth leadership and preparing the next generation of leaders for the Africa of tomorrow. The computers used by our team on site at the Yaouré Gold Project were donated to the Institution and used to open a learning and integration centre for children and young people in Abidjan, Côte d'Ivoire.

The impact of the pandemic has been felt by all of us at some point, with various restrictions and lockdowns imposed throughout the year, and therefore we again provided financial contributions to the Salvation Army and St Vincent de Paul Society to support families in need in our community during this difficult time. With the COVID crisis which unfolded in India during 2021, we also supported the Child In Need Institute (CINI), an NGO which launched a COVID relief campaign to establish assistance centres in metro cities across India.

Also in response to the pandemic, the development of our electrically operated ventilator, known as LycoVent, has taken a huge step forward in obtaining its Export Only Listing for use outside of Australia. In partnership with Australian Doctors for Africa (ADFA), we intend to make the LycoVent available to African hospitals where the need for such a device is considered significant, not only in response to COVID but more broadly to supplement the limited healthcare options available. We have donated two machines to Africa, via ADFA, for usability trials to gain feedback from the field, and following this further testing, we will then be in a position to finalise the production version. LycoVents will be donated to hospitals via the supply pathway provided through ADFA.

Throughout the year, the Company also continued to support various charitable initiatives championed by our staff.

Lycopodium's support of the Australia-Africa Minerals & Energy Group (AAMEG), the peak body representing Australian companies engaged in the development of Africa's resource industry, remains a fundamental element of our industry engagement strategy.

ACKNOWLEDGEMENT

The past twelve months has seen us demonstrate the strength of our global nature, our ability to collaborate across offices and continue to deliver projects across the world (even with the closure of international borders) and has been a testament to the hard work and resilience of all our people. On behalf of the Board of Directors, I sincerely thank our staff for your commitment and effort.

I would also like to take this opportunity to thank our clients for your ongoing confidence in us to progress your projects. We pride ourselves on working in partnership with you, with trust, integrity and respect.

Review of Operations

A summary of consolidated revenues and results for the year by significant reporting segments is set out below:

	Segment revenues		Segment results	
	2021 $	2020 $	2021 $	2020 $
Minerals - Asia Pacific	**88,202,707**	144,757,210	**13,909,841**	19,890,050
Minerals - North America	**20,307,900**	27,417,590	**1,868,798**	(1,256,590)
Minerals - Africa	**33,077,346**	30,232,067	**5,824,933**	(1,642,603)
Project services - Africa	**747,888**	6,371,702	**51,596**	3,612,893
Process Industries	**7,388,070**	5,361,958	**558,868**	237,766
Other	**26,638,281**	27,737,493	**4,284,542**	607,601
Intersegment eliminations	**(14,828,062)**	(31,270,530)	**-**	-
Unallocated	**641,518**	526,820	**(5,009,197)**	(2,998,978)
Total	**162,175,648**	211,134,310	**21,489,381**	18,450,139
Income tax expense			**(7,423,134)**	(6,773,513)
Profit for the year			**14,066,247**	11,676,626
Less: Loss/(profit) attributable to non-controlling interest			**133,202**	127,327
Profit attributable to owners of Lycopodium Ltd			**14,199,449**	11,803,953

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since year end the directors have recommended the payment of a final dividend on ordinary shares in respect of the 2021 financial year. The total amount of dividend is $5,961,034 which represents a fully franked dividend of 15.0 cents per fully paid ordinary share.

With the exception of the above, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company will continue to provide engineering consultancy services as detailed above.

Refer to the Review of Operations section within the Directors' Report for information regarding the likely developments and expected results.

Environmental Regulation

The Company's operations are not subject to significant environmental regulation under a law of the Commonwealth or of a State or Territory in respect of its consulting activities.

Information on Directors

Michael Caratti BE (Elec) (Hons) Non-Executive Chairman		
Experience and expertise	Former Managing Director of Lycopodium Minerals Pty Ltd, Mr Caratti has over 40 years' experience in the mineral processing industry and has had a major role in the development of the Company's risk management and quality control programs. Mr Caratti is a Director of Orway Minerals Consultants (WA) Pty Ltd.	
Length of service	25 October 2001 to present	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	Chairman of the Board Chairman of the Corporate Governance Committee Member of the Remuneration Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	9,109,367

Peter De Leo BE (Civ), CPEng, FIEAust Managing Director		
Experience and expertise	Mr De Leo has over 30 years' experience in the construction and engineering fields. Mr De Leo is the Managing Director of Lycopodium Limited and was previously the Managing Director of Lycopodium Minerals Pty Ltd.	
Length of service	1 February 2007 to present	
Other current directorships	Non-Executive Director of Mondium Pty Ltd Chairman of Australia-Africa Minerals and Energy Group Limited	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Corporate Governance Committee Member of the Audit Committee Member of the Risk Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	971,711

Rodney Leonard BE (Hons), MSc, MAusIMM Non-Executive Director		
Experience and expertise	Mr Leonard has over 30 years' experience in the mineral processing industry and was the Managing Director of Lycopodium Minerals Pty Ltd until to 30 June 2019 and is a Non-Executive Director of ADP Holdings (Pty) Limited and Lycopodium Minerals Canada Ltd.	
Length of service	25 October 2001 to present	
Other current directorships	Non-Executive Director of West African Resources Limited	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Corporate Governance Committee Member of the Audit Committee Chairman of the Risk Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	1,054,215

Robert Osmetti BE (Civ), MIEAust, CPEng Non-Executive Director		
Experience and expertise	Mr Osmetti has 40 years' experience in the project management and construction of minerals, oil refining and manufacturing projects. Mr Osmetti is a Non-Executive Director of Lycopodium Minerals Canada Ltd, Lycopodium Infrastructure Pty Ltd and was previously the Managing Director of Mondium Pty Ltd.	
Length of service	25 October 2001 to present	
Other current directorships	Non-Executive Director of Quantum Graphite Limited Non-Executive Director of Mondium Pty Ltd	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Corporate Governance Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	308,148

Information on Directors

Bruno Ruggiero BE (Mech), Grad Dip Min Sc, Grad Cert Eng Tech, MIEAust Executive Director		
Experience and expertise	Mr Ruggiero has over 30 years' experience in the minerals industry. He currently serves as the Group Technical Director for Lycopodium Limited having overarching responsibility for the Company's technical knowledge base, capabilities and direction. Mr Ruggiero is a Director of Lycopodium Minerals Pty Ltd.	
Length of service	25 October 2001 to present	
Other current directorships	Non-Executive Director of ECG Engineering Pty Ltd Non-Executive Director of Quantum Graphite Limited	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Corporate Governance Committee Member of the Risk Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	3,167,332

Karl Cicanese MBA Executive Director		
Experience and expertise	Mr Cicanese has over 25 years' industry experience, with in-depth knowledge of the Lycopodium business, having held a number of senior roles within Lycopodium Minerals Pty Ltd, including General Manager, Group Manager and Project Director. Mr Cicanese is currently Managing Director of Lycopodium Minerals Pty Ltd.	
Length of service	23 November 2020 to present	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Corporate Governance Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	200

Lawrence Marshall BBus (Acc), CPA Non-Executive, Independent Director		
Experience and expertise	Mr Marshall, in his role as the former Managing Director of Lycopodium Limited and with over 40 years' experience, has played a major role in the development of the Company's information, accounting, management and risk management systems.	
Length of service	25 October 2001 to present	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	Chairman of the Audit Committee Member of the Corporate Governance Committee Member of the Remuneration Committee Member of the Risk Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	992,332

Steven Chadwick BASc (Metallurgy), MAusIMM Non-Executive, Independent Director		
Experience and expertise	Mr Chadwick has over 40 years' experience in the mining industry, incorporating technical, operating and management roles, as well as a strong metallurgical background. Mr Chadwick is a metallurgical consultant specialising in project management with a range of local and international clients. He was a founding Director of BC Iron and a former Managing Director of Coventry Resources, PacMin Mining and Northern Gold.	
Length of service	11 January 2016 to present	
Other current directorships	Non-Executive Director of Liontown Resources Limited	
Former directorships in last 3 years	Non-Executive Director of Quantum Graphite Limited	
Special responsibilities	Member of the Corporate Governance Committee Member of the Remuneration Committee	
Interests in shares and options	Ordinary shares of Lycopodium Limited	10,000

Information on Directors

COMPANY SECRETARY

The Company Secretary is Ms Justine Campbell BBus (Acc and Fin), Chartered Accountant.

Ms Campbell is the Chief Financial Officer of Lycopodium Limited, and was appointed to the position of Company Secretary on 30 September 2019. Ms Campbell has a strong track-record of financial leadership and transformation in ASX-listed companies.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2021, and the numbers of meetings attended by each Director were:

		Board Committees		
	Board	Audit	Remuneration	Risk
Number of Meetings Held	11	2	2	1
	Number of Meetings Attended			
Michael Caratti	11	*	2	*
Peter De Leo	11	2	2**	1
Rodney Leonard	11	2	*	1
Robert Osmetti	11	*	*	*
Bruno Ruggerio	11	*	*	1
Karl Cicanese***	7	*	*	*
Lawrence Marshall	11	2	2	1
Steven Chadwick	10	*	1	*

* Not a member of the Committee
** By invitation
***Appointed to the Board on 23 November 2020

Remuneration Report - Audited

The Directors present the Lycopodium Limited 2021 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSED IN THIS REPORT

Name	Position
Michael Caratti	Chairman, Non-executive Director
Peter De Leo	Managing Director
Rodney Leonard	Non-executive Director
Robert Osmetti	Non-executive Director
Bruno Ruggiero	Executive Director
Karl Cicanese	Executive Director (appointed 23 November 2020)
Peter Dawson	Executive Director (resigned on 28 July 2020)
Lawrence Marshall	Non-executive Director
Steven Chadwick	Non-executive Director
Justine Campbell	Company Secretary and Chief Financial Officer

ROLE OF THE REMUNERATION COMMITTEE

The remuneration committee is primarily responsible for making recommendations on:

- Remuneration levels of executive Directors and other key management personnel,
- The over-arching executive remuneration framework and operation of any incentive plan, and
- Key performance indicators and performance hurdles for the executive team

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

NON-EXECUTIVE DIRECTOR REMUNERATION POLICY

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board to ensure that they are appropriate and in-line with the market.

Non-executive Directors are also paid an hourly rate for ad hoc services, as required.

Non-executive Directors do not receive performance-based pay.

DIRECTORS' FEES

The current base fees were last reviewed with effect from 1 July 2021. The fees are inclusive of committee fees. Details on Directors fees are disclosed under service agreements on page 16.

EXECUTIVE REMUNERATION POLICY AND FRAMEWORK

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the company to attract and retain key talent,
- Aligned to the company's strategic and business objectives and the creation of shareholder value,
- Transparent, and
- Acceptable to shareholders

The executive remuneration framework has three components:

- Fixed annual remuneration, including superannuation,
- Service bonus, and
- Equity

Remuneration Report - Audited

Fixed annual remuneration is structured as a total employment cost package which is delivered as a combination of salary and prescribed non-financial benefits partly at the executive's discretion. Fixed annual remuneration is reviewed at a minimum annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

A service or senior management bonus may be provided to certain senior salaried employees payable annually, at the discretion of the company.

VOTING AND COMMENTS MADE AT THE COMPANY'S ANNUAL GENERAL MEETING

The remuneration report for the 2020 financial year was approved by shareholders during the AGM. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

COMPANY PERFORMANCE

The profit after income tax expense and basic earnings per share for the Company for the last five years is as follows:

	2021	2020	2019	2018 (^)	2017
Revenue ($)	162,175,648	211,134,310	154,033,409	194,531,157	216,616,442
Profit before income tax ($)	21,489,381	18,450,139	23,543,752	25,755,489	14,307,620
Income tax expense ($)	7,423,134	6,773,513	7,144,537	7,096,593	3,934,091
Profit after income tax ($)	14,066,247	11,676,626	16,399,215	18,658,896	10,373,529
Basic EPS (cents)	35.7	29.7	41.5	46.6	25.9
Basic EPS growth, year on year (%)	20.2%	(28.4%)	(10.9%)	79.9%	223.8%
Fully franked dividends per share (cents)	25.0	20.0	30.0	30.0	18.0
Change in share price * ($)	0.64	(0.08)	0.19	1.50	1.05
Return on equity (%)	17.00%	14.85%	20.66%	25.12%	15.53%

*calculated as the difference between the closing share price at the start and end of the respective financial years

^ adjustment on adoption of AASB 9

DETAILS OF REMUNERATION

The following table shows details of the remuneration expense recognised for the Company's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

	Short-term employee benefits			Post-employment benefits	Share-based payments		
2021	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Rights $	Total $	Performance related %
Non-executive Directors							
Michael Caratti	71,233	-	9,033	6,767	-	87,033	-
Lawrence Marshall	117,480	-	9,033	25,000	-	151,513	-
Steven Chadwick	78,000	-	-	-	-	78,000	-
Rodney Leonard***	118,030	-	9,033	11,213	31,006	169,282	18.3
Robert Osmetti	158,209	-	-	17,403	-	175,612	-
Executive Directors							
Peter De Leo	588,600	17,853	9,033	25,000	49,575	690,061	9.8
Bruno Ruggiero	480,550	14,387	9,033	21,694	38,089	563,753	9.3
Peter Dawson*	20,580	1,104	693	1,664	2,832	26,873	14.6
Karl Cicanese**	499,992	15,333	9,033	21,694	111,784	657,836	19.3
Other key management personnel							
Justine Campbell	458,306	13,333	9,033	21,694	-	502,366	2.7
Total key management personnel compensation	**2,590,980**	**62,010**	**63,924**	**152,129**	**233,286**	**3,102,329**	**9.5**

* Represents remuneration from 1 July 2020 - 28 July 2020

** Appointed 23 November 2020

*** Share based payments relates to performance rights awarded in prior years

Remuneration Report - Audited

DETAILS OF REMUNERATION (CONTINUED)

The following table shows details of the remuneration expense recognised for the Company's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

	Short-term employee benefits			Post-employment benefits	Share-based payments		
2020	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Superannuation $**	**Rights $**	**Total $**	**Performance related %**
Non-executive Directors							
Michael Caratti	71,233	-	12,631	6,767	-	90,631	-
Lawrence Marshall	110,715	-	12,631	25,000	-	148,346	-
Steven Chadwick	78,000	-	-	-	-	78,000	-
Rodney Leonard*	106,850	35,388	12,631	13,513	18,264	186,646	9.8
Robert Osmetti	69,758	31,583	3,158	25,000	-	129,499	-
Executive Directors							
Peter De Leo	588,600	42,917	12,631	25,000	20,228	689,376	2.9
Bruno Ruggiero	480,054	34,583	12,631	24,999	16,300	568,567	2.9
Peter Dawson	477,710	34,583	12,631	21,003	16,300	562,227	2.9
Other key management personnel							
Justine Campbell**	373,390	-	7,158	18,521	-	399,069	-
Keith Bakker***	62,583	32,083	-	25,000	-	119,666	-
Total key management personnel compensation	**2,418,893**	**211,137**	**86,102**	**184,803**	**71,092**	**2,972,027**	**2.4**

* Payment includes prior year entitlements
** Represents remuneration from 9 September 2019 to 30 June 2020
*** Represents remuneration from 1 July 2019 to 30 September 2019

SERVICE AGREEMENTS

Remuneration and other terms of employment for the Directors and key management personnel are formalised in employment contracts. Each contract deals with fixed annual remuneration. Other major provisions of the agreements relating to remuneration are set out below.

All employment contracts with Directors and executives may be terminated by either party with one month's notice.

None of the directors or executives are provided with termination benefits.

Name	Term of agreement	Fixed Remuneration including superannuation*
Michael Caratti, *Chairman and Non-executive Director*	No fixed term	Directors fee of $81,500 p.a.
Rodney Leonard, *Non-executive Director*	No fixed term	Fixed hourly rate of $234.72 Directors fee of $81,500 p.a.
Robert Osmetti, *Non-executive Director*	No fixed term	Fixed hourly rate of $234.72 Directors fee of $81,500 p.a.
Lawrence Marshall, *Non-executive Director*	No fixed term	Fixed hourly rate of $234.72 Directors fee of $81,500 p.a.
Steven Chadwick, *Non-executive Director*	No fixed term	Directors fee of $81,500 p.a.
Peter De Leo, *Managing Director*	No fixed term	$559,300 p.a. Directors fee of $81,500 p.a.
Bruno Ruggiero, *Executive Director*	No fixed term	450,700 p.a. Directors fee of $81,500 p.a.
Karl Cicanese *Executive Director*	No fixed term	$505,000 p.a. Directors fee of $81,500 p.a.
Justine Campbell, *Company Secretary and Chief Financial Officer*	No fixed term	$500,000 p.a.

* Fixed remuneration payable from 1 July 2021 and reviewed annually by the Remuneration Committee

Remuneration Report - Audited

SHARE-BASED COMPENSATION

Incentive Performance Rights Plan

Performance rights were granted to certain Executive Directors as approved at the Annual General Meeting on 19 November 2020. The rights were designed to give incentive to the Executive Directors to provide dedicated and ongoing commitment and effort to the company and aligning the interest of both employees and shareholders.

Further information on rights over ordinary shares on issue is set out in note 35 to the financial statements.

SENIOR MANAGER SHARE ACQUISITION PLAN

Interest free loans were provided to eligible senior managers to acquire shares in Lycopodium Limited under the Senior Manager Share Acquisition Plan. The plan was designed to provide alignment of the senior managers with the shareholders of the company by assisting the senior managers to acquire shares in Lycopodium Limited under the plan. None of the Directors of Lycopodium Limited are eligible to participate in this plan.

Further information on the plan is set out in note 1(ac) to the financial statements.

EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

The table below shows the number of:

(i) Rights Holdings

The numbers of rights in the Company held during the financial year by Directors of Lycopodium Limited and other key management personnel of the Company, including their personally related parties, over ordinary shares in the Company are set out below.

2021	Balance at start of the year	Granted as compensation (*)	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Lycopodium Limited							
Peter De Leo	26,265	17,584	-	-	43,849	-	43,849
Rodney Leonard	23,715	-	-	-	23,715	-	23,715
Bruno Ruggiero	21,165	12,023	-	-	33,188	-	33,188
Peter Dawson**	21,165	-	-	(21,165)	-	-	-
Karl Cicanese***	69,679	15,102	-	-	84,781	-	84,781

*Granted under the Incentive Performance Rights Plan. Refer to Note 35.
** Performance rights held from 1July to 28 July 2020
*** Appointed 23 November 2020

2020	Balance at start of the year	Granted as compensation (*)	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Lycopodium Limited							
Peter De Leo	-	26,265	-	-	26,265	-	26,265
Rodney Leonard	-	23,715	-	-	23,715	-	23,715
Bruno Ruggiero	-	21,165	-	-	21,165	-	21,165
Peter Dawson	-	21,165	-	-	21,165	-	21,165

*Granted under the Incentive Performance Rights Plan. Refer to Note 35.

Remuneration Report - Audited

EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL (CONTINUED)

(ii) Share Holdings

The numbers of shares in the Company held during the financial year by Directors of Lycopodium Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2021	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Lycopodium Limited Ordinary shares				
Michael Caratti	9,104,367	-	5,000	9,109,367
Peter De Leo	971,711	-	-	971,711
Rodney Leonard	1,154,215	-	(100,000)	1,054,215
Robert Osmetti	308,148	-	-	308,148
Bruno Ruggiero	3,167,332	-	-	3,167,332
Lawrence Marshall	992,332	-	-	992,332
Steven Chadwick	10,000	-	-	10,000
Karl Cicanese*	200	-	-	200

* Appointed 23 November 2020

LOANS TO KEY MANAGEMENT PERSONNEL

Details of loans made to Directors of Lycopodium Limited and other key management personnel of the Company, including their personally related parties, are set out below.

(i) Aggregates for key management personnel

	Balance at the start of the year $	Interest paid and payable for the year $	Interest not charged $	Balance at end of the year $	Number in Company at the end of the year
2021	-	-	-	-	-
2020	27,107	-	-	-	-

Loans outstanding at the end of the prior year include a loan to a key management personnel under the senior manager share acquisition plan.

All other loans to key management personnel are short-term advances in nature and are insignificant.

No write-downs or allowances for doubtful receivables have been recognised in relation to any loans made to key management personnel.

End of Remuneration Report

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of Lycopodium Limited at the date of this report are as follows:

Date performance rights issued	Expiry date	Issue price of shares	Number
1 July 2019	30 June 2024	$-	50,000
28 November 2019	26 November 2024	$-	168,320
11 December 2020	10 December 2025	$-	107,168

INSURANCE OF OFFICERS

During the financial year, Lycopodium Limited took out insurance cover for the Directors, secretaries and senior officers of the company and its controlled entities.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company.

The directors have not included specific details of the premium paid as such disclosure is prohibited under the terms of the contract.

INDEMNITY OF AUDITORS

Lycopodium Limited has agreed to indemnify their auditors, RSM Australia Partners, to the extent permitted by law, against any claim by a third party arising from Lycopodium Limited's breach of their agreement. The indemnity stipulates that Lycopodium Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 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

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

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

The Directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Peter De Leo
Managing Director
Lycopodium Limited

Perth
24 August 2021

Auditor's Independence Declaration

RSM

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lycopodium Limited for the year ended 30 June 2021, 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.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 24 August 2021

JAMES KOMNINOS
Partner

Yaouré Gold Project,
Côte d'Ivoire

Corporate Governance Statement

The Board of Directors of Lycopodium Limited is responsible for the overall corporate governance of the Company and its subsidiary companies. The Board governs all matters relating to the strategic direction, policies, practices, management and operations of the Company and its subsidiaries, with the aim of protecting the interests of shareholders and other stakeholders, including employees, clients and suppliers, and creating value for them.

The Board has implemented the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council to the extent considered appropriate for the size and nature of the Company's current operations.

The Company has adopted a Corporate Governance Framework which provides the written terms of reference for the Company's corporate governance duties. The Company has in place charters, policies and procedures which support the framework to ensure a high standard of governance is maintained. Lycopodium's Corporate Governance Statement, Board and Sub-Committee charters and the Company's governance policies, are published on the Company's website:

lycopodium.com/investor-relations/corporate-governance

Gemalla Concrete Sleeper Insertion Project, New South Wales

Financial Report

Notes to the Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Revenue from contracts with customers	5(a)	158,062,505	206,655,815
Interest income		551,307	1,521,139
Other income	5(c)	3,561,836	2,957,356
Total income		162,175,648	211,134,310
Employee benefits expense		(61,759,749)	(66,963,814)
Depreciation and amortisation expense	6	(4,784,787)	(8,031,347)
Project expenses		(3,560,682)	(4,964,224)
Equipment and materials		(19,157,291)	(71,057,575)
Contractors		(25,806,496)	(31,302,499)
Occupancy expense	6	(1,907,537)	(1,227,254)
Other expenses		(13,013,638)	(12,114,932)
Warranty provision (expenses)/reversal	19	(11,022,306)	681,875
Finance costs	6	(816,789)	(614,144)
Share of net profit of associates and joint ventures accounted for using the equity method		1,143,008	2,909,743
Profit before income tax		21,489,381	18,450,139
Income tax expense	7	(7,423,134)	(6,773,513)
Profit for the year		14,066,247	11,676,626
Profit attributable to:			
Owners of Lycopodium Limited		14,199,449	11,803,953
Non-controlling interests		(133,202)	(127,327)
Profit for the year		14,066,247	11,676,626
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation		1,209,198	(1,459,227)
Total comprehensive income for the year		15,275,445	10,217,399
Other comprehensive income for the year is attributable to:			
Owners of Lycopodium Limited		15,408,647	10,344,726
Non-controlling interests		(133,202)	(127,327)
Total comprehensive income for the year		15,275,445	10,217,399

	Notes	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	34(a)	35.7	29.7
Diluted earnings per share	34(b)	35.5	29.6

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	8	76,841,139	102,888,489
Trade and other receivables	9	43,887,117	26,916,009
Inventories		1,540,415	1,105,323
Current tax receivables		1,971,240	868,107
Other current assets	10	2,482,762	2,515,188
Total current assets		126,722,673	134,293,116
Non-current assets			
Investments in listed equities	11(a)	739,920	886,377
Property, plant and equipment	14	4,671,757	3,193,156
Right-of-use assets	15	14,925,280	3,000,988
Intangible assets	17	6,743,650	6,838,730
Other receivables	12	189,413	145,092
Deferred tax assets	16	6,189,450	3,761,661
Investments accounted for using the equity method	13	3,870,307	3,530,923
Total non-current assets		37,329,777	21,356,927
Total assets		164,052,450	155,650,043
LIABILITIES			
Current liabilities			
Trade and other payables	18	22,971,867	23,211,501
Contract and other liabilities	5(b)	17,055,363	47,657,403
Borrowings	11(b)	760,274	304,157
Lease liabilities	11(a)	2,669,183	1,564,378
Current tax liabilities		4,941,195	833,745
Provisions	19	13,340,431	2,318,125
Total current liabilities		61,738,313	75,889,309
Non-current liabilities			
Borrowings	11(b)	1,404,749	164,255
Provisions	21	165,864	128,135
Lease liabilities	11(a)	13,069,705	1,625,723
Total non-current liabilities		14,640,318	1,918,113
Total liabilities		76,378,631	77,807,422
Net assets		87,673,819	77,842,621
EQUITY			
Contributed equity	22	20,854,574	20,823,772
Reserves	23	(229,936)	(1,846,849)
Retained earnings	24	67,758,811	59,520,395
Parent entity interest		88,383,449	78,497,318
Non-controlling interests	25	(709,630)	(654,697)
Total equity		87,673,819	77,842,621

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	Attributable to members of Lycopodium Limited						
		Share capital $	Retained earnings $	Foreign currency translation reserve $	Available for sale investment revaluation reserve $	Performance rights reserve $	Non-controlling interests $	Total equity $
Balance at 1 July 2019		20,823,772	59,636,154	(602,928)	-	-	(439,098)	79,417,900
Profit for the year		-	11,803,953	-	-	-	(127,327)	11,676,626
Other comprehensive expense		-	-	(1,459,227)	-	-	-	(1,459,227)
Total comprehensive income for the year		**-**	**11,803,953**	**(1,459,227)**	**-**	**-**	**(127,327)**	**10,217,399**
Transactions with owners in their capacity as owners:								
Foreign currency translation with non-controlling interest		-	-	-	-	-	(88,272)	(88,272)
Dividends provided for or paid		-	(11,919,712)					(11,919,712)
Performance rights - value of rights		-	-	-	-	215,306	-	215,306
		-	(11,919,712)	-	-	215,306	(88,272)	(11,792,678)
Balance at 30 June 2020		**20,823,772**	**59,520,395**	**(2,062,155)**	**-**	**215,306**	**(654,697)**	**77,842,621**
Balance at 1 July 2020		20,823,772	59,520,395	(2,062,155)	-	215,306	(654,697)	77,842,621
Profit for the year		-	14,199,449	-	-	-	(133,202)	14,066,247
Other comprehensive income / (expense)		-	-	1,209,198	-	-	-	1,209,198
Total comprehensive income for the year		**-**	**14,199,449**	**1,209,198**	**-**	**-**	**(133,202)**	**15,275,445**
Transactions with owners in their capacity as owners:								
Foreign currency translation with non-controlling interest		-	-	-	-	-	78,269	78,269
Dividends provided for or paid		-	(5,961,033)	-	-	-	-	(5,961,033)
Performance rights - value of rights		-	-	-	-	438,517	-	438,517
Exercise of performance rights		30,802	-	-	-	(30,802)	-	-
		30,802	(5,961,033)	-	-	407,715	78,269	(5,444,247)
Balance at 30 June 2021		**20,854,574**	**67,758,811**	**(852,957)**	**-**	**623,021**	**(709,630)**	**87,673,819**

The above consolidated 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 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**116,872,692**	256,143,954
Payments to suppliers and employees (inclusive of GST)		**(126,078,673)**	(190,286,692)
		(9,205,981)	65,857,262
Interest received		**520,152**	1,558,400
Income taxes paid		**(5,031,728)**	(5,226,638)
Net cash (outflow)/inflow from operating activities	33	**(13,717,557)**	62,189,024
Cash flows from investing activities			
Dividends received from joint ventures and associate		**803,623**	771,289
Payments for property, plant and equipment	14	**(2,667,041)**	(472,259)
Proceeds from sale of property, plant and equipment		**10,358**	-
Payments for intangible assets	17	**(238,608)**	(394,963)
Proceeds from investments in listed equities		**288,458**	-
Net cash inflow/(outflow) from investing activities		**(1,803,210)**	(95,933)
Cash flows from financing activities			
Proceeds from issue of shares		**30,802**	-
Proceeds from borrowings		**4,197,273**	2,150,280
Repayments of borrowings		**(2,367,229)**	(2,019,329)
Proceeds from repayment of loans under the senior manager share acquisition plan		**35,679**	96,161
Repayments of hire purchase liabilities		**(140,225)**	(582,210)
Loans (advanced)/repaid to joint ventures and associates		**(4,000,000)**	820,000
Reduction of lease liabilities		**(3,531,048)**	(6,741,614)
Dividends paid to Company's shareholders		**(5,961,033)**	(11,919,711)
Net cash outflow from financing activities		**(11,735,781)**	(18,196,423)
Net (decrease)/increase in cash and cash equivalents		**(27,256,548)**	43,896,668
Cash and cash equivalents at the beginning of the financial year		**102,888,489**	60,451,048
Effects of exchange rate changes on cash and cash equivalents		**1,209,198**	(1,459,227)
Cash and cash equivalents at the end of financial year	8	**76,841,139**	102,888,489

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

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of this consolidated financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report comprises the financial report for the Company consisting of Lycopodium Limited and its subsidiaries.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Lycopodium Limited is a for-profit entity for the purpose of preparing the financial report. The consolidated financial report of the Lycopodium Limited group complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(i) New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

(ii) Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the measurement of financial assets/liabilities at fair value through profit and loss.

(iii) Critical Accounting Estimates

The preparation of the Financial Report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Report, are disclosed in note 3.

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of Consolidation (continued)

(i) Subsidiaries (continued)

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(h)).

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position, respectively.

(ii) Employee Share Trust

The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group.

(iii) Joint Arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than legal structure of the joint arrangement. Lycopodium Limited has joint venture arrangements.

(iv) Joint Ventures

Interest in joint ventures are accounted for using the equity method (see (v) below), after initially being recognised at cost in the Consolidated Statement of Financial Position.

(v) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (vi) below), after initially being recognised at cost.

(vi) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee, and the Group's share of movements in other comprehensive income of the investee. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributed to owners of Lycopodium Limited.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of Consolidation (continued)

(vii) Changes in Ownership Interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(d) Revenue and Other Income Recognition

Revenue from Contracts with Customers

The Group recognises revenue on an 'over time' basis. This applies to the two services of which the Group provides:

- Engineering and related services
- Construction Contracts

To determine whether to recognise revenue, the Group follows a 5-step process:

(1) Identifying the contract with a customer

(2) Identifying the performance obligations

(3) Determining the transaction price

(4) Allocating the transaction price to the performance obligations

(5) Recognising revenue when/as performance obligation(s) are satisfied

For work being performed in the completion of contracts with fixed prices, the customer controls the assets as it is created or enhanced. Progress towards completion of the contract is measured according to the proportion of contract costs incurred for work performed to date relative to the estimate total contract costs.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where recognised revenues exceed progress billings, the surplus is shown in Contract Assets. For contracts where progress billings exceed recognised revenues, the surplus is shown as Contract Liabilities.

Certain customer contracts are man-hours and expense based. In these circumstances, revenue is recognised over time as the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the entity's performance completed at the time of billing. The Group therefore recognises revenue in the amount to which the Group has the right to invoice.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue and Other Income Recognition (continued)

Interest and Other Income

Interest revenue is recognised on an accrual basis.

Dividend income is recognised when the dividend is declared.

Rental income is recognised on a straight line basis over the term of the operating lease.

(e) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the Financial Report of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Report are presented in Australian dollars, which is Lycopodium Limited's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Consolidated Entities

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, associated exchange differences are recognised in the profit and loss, as part of the gain or loss on sale where applicable.

(f) Income Tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Report. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Income Tax (continued)

arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Lycopodium Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation effective 1 July 2013. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the Consolidated Financial Report.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(h) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition-date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Business Combinations (continued)

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(i) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(j) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(k) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(l) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (expected credit loss on trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Trade Receivables (continued)

relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the profit and loss within 'administration and management costs'. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against 'administration and management costs' in the profit and loss.

(m) Contract Assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

(n) Customer Acquisition Costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

(o) Customer Fulfilment Costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the consolidated entity that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

(p) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(q) Non-Derivative Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Group business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For Investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when its business model for managing those assets changes.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Non-Derivative Financial Assets (continued)

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Measurement of cash and cash equivalents and trade and other receivables remains at amortised cost consistent with the comparative period.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collecting contractual cash flows and through sale on specified dates. A gain or loss on a debt investment that is subsequently measured at FVOCI is recognised in other comprehensive income. None are currently held by the Group.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. None are currently held by the Group.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised either in other income or in other expenses in the statement of profit or loss.

(iii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(r) Non-Derivative Financial Liabilities

Interest Bearing Liabilities

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Trade and Other Payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Group's countries of operation.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(t) Contract Liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

(u) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(v) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(w) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(x) Derivative Financial Instruments

Interest Bearing Liabilities

Derivative financial instruments are stated at fair value, with changes in fair value recognised in the statement of profit or loss. Where derivative financial instruments qualify for hedge accounting, recognition of changes in fair value depends on the nature of the item being hedged. Hedge accounting is discontinued when the hedging relationship is revoked, the hedging instrument expires, is sold, terminated, exercised, or no longer qualifies for hedge accounting.

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other expenses.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedge reserve in equity. The changes in the time value of the

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Derivative Financial Instruments (continued)

Cash Flow Hedge (continued)

option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve in equity. The change in the forward element of the contract that relates to the hedged item is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- The gain or loss relating to the effective portion of forward and option contracts are ultimately recognised in profit or loss as the hedged item affects profit or loss within expenses.
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost'.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. Hedge ineffectiveness is recognised in profit or loss within other expenses.

Accounting policies for remaining hedges and derivatives are consistent with the comparative period.

(y) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation on plant and equipment is calculated using the straight line or diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

-	Plant and equipment	3 - 10 years
-	Vehicles	5 - 7 years
-	Furniture, fittings and equipment	3 - 8 years
-	Leasehold improvements	3 - 6 years
-	Leased plant and equipment	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Intangible Assets

(i) Goodwill

Goodwill is measured as described in note 1(h). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 4).

(ii) Software

Intangible assets also comprise capitalised computer software. Computer software has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of the computer software over their estimated useful lives, being 3 years.

(aa) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the year in which they are incurred.

(ab) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(ac) Employee Benefits

(i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

(ii) Other Long-Term Employee Benefits Obligations

The liability for long service leave and annual leave which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service is therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high quality corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) Employee Benefits (continued)

unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement Benefit Obligations

Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Share-Based Payments

Share-based compensation benefits are provided to certain executive directors and other designated employees via the Performance Rights Plans. Information relating to this scheme is set out in note 35.

The fair value of rights granted under the Performance Rights Plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Binomial Tree option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(v) Senior Manager Share Acquisition Plan

The senior manager share acquisition plan was approved at the company's Annual General Meeting on 24 November 2009. The aim of the plan was to allow the Board to assist managers, who in the Board's opinion have demonstrated the qualities and dedication to become the next generation of senior managers, to take up a significant shareholding so as to ensure their commitment and the future of the company.

Eligible Senior Managers include both full-time senior managers and executive directors of the Company or such other persons as the Board determines.

A broad outline of the plan is summarised below:

- The company will loan funds to participating Senior Managers to purchase Lycopodium Limited shares via the Lycopodium Share Plan Trust.
- The loan will be a limited recourse loan provided the Senior Manager stays with the Company for greater than 3 years.
- The loan will be interest free if the Senior Manager remains employed by the Company for greater than 3 years.
- In the event that the Senior Manager leaves within 3 years, interest will be charged equal to the market rate of interest that would have accrued on the loan from the date of advance of the funds to the repayment date.
- During the term of the loan, dividends will be offset against the outstanding loan balance.
- The shares are allocated to the Senior Managers at a 1 cent discount to the volume weighted average of the prices at which the shares of Lycopodium Limited were traded on the ASX during the one week period up to and including the date of allocation.

The Company has the following as the result of this transaction:

Share Based Payment

The difference between the value of the shares purchased and the value of the shares allocated to the senior managers represents the cost to the company for providing the loan to the employees. This amount is expensed in the profit and loss.

Embedded Derivative

The senior manager loan receivable is a loan with an embedded derivative with the senior manager having an option to put back the share to the Company in full settlement of the loan after the 3 year period. As the embedded derivative is closely related to the senior manager loan, the financial instrument is measured at fair value through profit or loss.

(vi) Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ad) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(ae) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

(af) Earnings Per Share

(i) Basic Earnings Per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(ag) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(ah) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Notes to the Financial Statements

30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ai) New Accounting Standards Not Yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(aj) Parent Entity Financial Information

The financial information for the parent entity, Lycopodium Limited, disclosed in note 36 has been prepared on the same basis as the consolidated financial report, except as set out below.

(i) Investments in Subsidiaries, Associates and Joint Venture Entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial report of Lycopodium Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Share Based Payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Company is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2. FINANCIAL RISK MANAGEMENT

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified above.

(a) Market Risk

(i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (USD) and Philippine Peso (PHP). Exchange rate exposures are managed with approved policy parameters utilising forward exchange contracts.

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency.

Exposure

The Group's exposure to foreign currency risk at the reporting period, expressed in Australian dollar, was as follows:

	30 June 2021		30 June 2020	
	USD $	PHP $	USD $	PHP $
Cash and cash equivalents	**5,749,131**	**247,744**	12,938,281	208,365
Trade and other receivables	**-**	**-**	-	42,682
Other current assets	**-**	**650,276**	-	651,264
Trade and other payables	**(7,290,945)**	**(368,935)**	(5,900,520)	(399,089)
Net exposure	**(1,541,814)**	**529,085**	7,037,761	503,222

Notes to the Financial Statements

30 June 2021

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk (continued)

Group Sensitivity

Based on the financial instruments held at 30 June 2021, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's post-tax profit and equity for the year would have been $154,181 higher/$154,181 lower (2020: $703,776 higher/$703,776 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table.
Profit is less sensitive to movements in the Australian dollar/US dollar exchange rates in 2021 than 2020 due to lower amounts of US dollar denominated cash and cash equivalents.

Based on the financial instruments held at 30 June 2021, had the Australian dollar weakened/strengthened by 10% against the Philippine Peso with all other variables held constant, the Group's post-tax profit and equity for the year would have been $52,908 higher/$52,908 lower (2020: $50,322 higher/$50,322 lower), mainly as a result of foreign exchange gains/losses on translation of Philippine Peso denominated financial instruments as detailed in the above table. Profit is more sensitive to movements in the Australian dollar/Philippine Peso exchange rates in 2020 than 2019 mainly because of the higher amount of Philippine Peso denominated cash and cash equivalents.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

(ii) Price Risk

The Group has exposure to equity securities price risk with the exposure, however, being minimal. Equity securities price risk arises from investments in equity securities. The equity investments are publicly traded on the Australian Securities Exchange ('ASX'). The price risk for the listed securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed. The Group does not have a risk management policy surrounding price risk in place as the Board considers the risk minimal.

(iii) Interest Rate Risk

The Group is exposed to interest rate risk arising mainly from borrowings and cash balances held. The risk is considered minimal as the Group's borrowings are minimal. The Group does not enter into any specific swaps or hedges to cover any interest rate volatility and does not have a risk management policy surrounding cash flow and interest rate risk as the Board considers these risks to be minimal.

(iv) Group Sensitivity

At 30 June 2021, if interest rates had changed by -/+50 basis points from the year end rates with all other variables held constant, post-tax profit and equity for the year would have been $268,566 lower/higher (2020: $359,734 lower/higher), as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other current assets. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Other receivables comprises of the loan under the senior management share acquisition plan. The Group is not exposed to credit risk as the loan is secured under the terms of the loan (note 1(u)).

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021 $	2020 $
Cash and cash equivalents	**76,841,138**	102,888,489
Trade and other receivables	**43,887,117**	26,916,009
Deposits held with banks (note 10)	**532,468**	686,193
	121,260,723	130,490,691

Notes to the Financial Statements

30 June 2021

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk (continued)

Cash and Cash Equivalents

The credit risk on cash and cash equivalents is limited because the Group's primary bank is rated AA- by an international credit-rating agency.

Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.
However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. All receivables at balance date that are neither past due nor impaired comply with the Group's policy on credit quality.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is minimised.

There are no significant concentrations of credit risk within the Group. The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of customers that operate predominantly in the mining and extractive industry sector including major operators in the industry and junior/emerging operators. There are multiple contracts with our significant customers, across a number of their subsidiaries and divisions within those subsidiaries and locations.

Deposits Held with Banks

The credit risk on deposits held with banks are limited as they comprise deposits held with banks with high credit ratings assigned by international credit-rating agencies.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financing Arrangements

The Group had access to the following undrawn borrowing facilities at the reporting date:

	2021 $	2020 $
Leasing facility	**3,000,000**	1,500,000
Standby credit facility	**10,401,171**	10,561,351
Insurance bonds	**36,084,211**	31,362,785
	49,485,382	43,424,136

Notes to the Financial Statements

30 June 2021

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk (continued)

Maturities of Financial Liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have 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.

Consolidated - At 30 June 2021	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount liabilities $
Non-derivatives						
Trade payables	12,083,924	-	-	-	12,083,924	12,083,924
Insurance premium funding	-	-	-	-	-	-
Finance leases	71,873	39,517	61,883	-	173,273	165,023
Lease Liabilities	3,391,422	3,234,606	7,061,438	4,505,412	18,192,878	15,738,888
Borrowings	692,568	692,568	692,567	-	2,077,703	2,000,000
Total	16,239,787	3,966,691	7,815,888	4,505,412	32,527,778	29,987,835

Consolidated - At 30 June 2020	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount liabilities $
Non-derivatives						
Trade payables	12,503,674	-	-	-	12,503,674	12,503,674
Insurance premium funding	169,307	-	-	-	169,307	169,307
Finance leases	140,993	71,280	101,224	-	313,497	299,105
Lease Liabilities	1,766,801	945,241	790,282	-	3,502,324	3,190,102
Total	14,580,775	1,016,521	891,506	-	16,488,802	16,162,188

In assessing and managing liquidity risks of its derivative financial instruments the Group considers both contractual inflows and outflows. The contractual cash flows of the Group's derivative financial assets and liabilities are all current (within 12 months).

Derivative financial instruments reflect forward exchange contracts (see note 11(b)) that will be settled on a gross basis.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment Testing of Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(i). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 17 for details of these assumptions and the potential impact of changes to the assumptions.

(ii) Service and Equipment Warranties

In accordance with the accounting policy stated in note 1(ab), the Group has recognised warranty provisions at the end of the financial year in respect of potential claims for rectification work on some of its EPC contracts. Refer to note 19 in relation to the service warranty provisions provided at period end. The amounts provided takes into account the percentage completion of the project, forecast to complete costs plus any close-out obligations and potential contractual liabilities during the warranty period.

(iii) Fixed-Price Contracts

The Group uses cost inputs to estimate its revenue from fixed-sum contracts. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and the recoverable variations work that will

Notes to the Financial Statements

30 June 2021

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(iii) Fixed-Price Contracts (continued)

affect the stage of completion and the contract revenue respectively. In making these estimates, the Group has relied on past experience and best available information.

(iv) Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the Financial Statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

4. SEGMENT INFORMATION

(a) Description of Segments

The Board considers the business from both a product and geographic perspective and has identified four operating segments of which three (2020: three) are reportable in accordance with the requirements of AASB 8.

The Minerals segment consists of engineering and related services provided to the extractive mining industry. The clients, including junior exploration companies and major multinational producers, are developing projects for a wide range of commodities. These projects range in scope from large greenfield projects involving process plant and equipment, civil building works, control systems, services and infrastructure to small skid-mounted pilot plants.

The Process Industries segment consists of engineering and related services provided to the manufacturing and renewable energy facilities throughout Australia and South East Asia.

The Project Services - Africa segment consists of project management, construction management and commissioning services provided to the extractive mining industry in Africa.

All other operating segments are not reportable operating segments, as they fall under the quantitative thresholds of AASB 8. The results of these operations are included in the 'Other' column.

The remaining operating segments that are not reportable consists of:

Infrastructure: Asset management, engineering, architectural and project delivery services to a wide range of private and public clients across Australia.

Metallurgical: Metallurgical consulting providing a range of services to the mineral processing community, primarily in the field of comminution, hydrometallurgy and mineral processing design.

Project Services Asia: Provision of drafting services to offshore Lycopodium entities.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

Notes to the Financial Statements

30 June 2021

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment Information Provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2021 and 30 June 2020 are as follows:

	Minerals			Project Services - Africa	Process Industries	Other	Total
2021	Asia Pacific $	North America $	Africa $	$	$	$	$
Total segment revenue	88,202,707	20,307,900	33,077,346	747,888	7,388,070	26,638,281	176,362,192
Inter-segment revenue	(1,217,496)	(4,990,779)	-	(158,801)	(627,857)	(7,833,129)	(14,828,062)
Revenue from external customers	**86,985,211**	**15,317,121**	**33,077,346**	**589,087**	**6,760,213**	**18,805,152**	**161,534,130**
Profit / (Loss) before tax	**13,909,841**	**1,868,798**	**5,824,933**	**51,596**	**558,868**	**4,284,542**	**26,498,578**
Interest in the profit of equity accounted joint ventures	-	-	-	-	-	-	-
Depreciation and amortisation	881,399	354,051	660,341	18,955	231,279	929,117	3,075,142
Income tax benefit / (expense)	**(6,010,461)**	**(564,584)**	**(1,094,194)**	**(90,212)**	**(148,078)**	**(1,304,288)**	**(9,211,817)**
Total segment assets	**60,182,343**	**9,218,774**	**26,399,689**	**4,234,021**	**5,326,095**	**16,539,053**	**121,899,975**
Total assets includes:							
Investment in joint ventures	-	-	-	-	-	-	-
Additions to non-current assets (other than financial assets and deferred tax)	13,927	57,535	211,344	152,051	4,127	192,720	631,704
Total segment liabilities	**42,192,413**	**5,024,086**	**12,761,886**	**3,516,697**	**2,245,434**	**6,413,006**	**72,153,522**

Notes to the Financial Statements

30 June 2021

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment Information Provided to the Board of Directors (continued)

	Minerals			Project Services - Africa	Process Industries	Other	Total
2020	Asia Pacific $	North America $	Africa $	$	$	$	$
Total segment revenue	144,757,210	27,417,590	30,232,067	6,371,702	5,361,958	27,737,493	241,878,020
Inter-segment revenue	(7,683,373)	(15,762,705)	-	-	(878,508)	(6,945,944)	(31,270,530)
Revenue from external customers	**137,073,837**	**11,654,885**	**30,232,067**	**6,371,702**	**4,483,450**	**20,791,549**	**210,607,490**
Profit / (Loss) before tax	**19,890,050**	**(1,256,590)**	**(1,642,603)**	**3,612,893**	**237,766**	**607,601**	**21,449,117**
Interest in the profit of equity accounted joint ventures	-	-	-	-	-	-	-
Depreciation and amortisation	5,257,022	369,715	755,159	-	235,637	1,398,272	8,015,805
Income tax benefit / (expense)	(7,853,360)	310,009	154,498	(722,026)	(73,932)	(288,723)	(8,473,534)
Total segment assets	**82,128,470**	**6,895,712**	**15,101,833**	**3,467,555**	**4,213,038**	**13,547,479**	**125,354,087**
Total assets includes:							
Investment in joint ventures	-	-	-	-	-	-	-
Additions to non-current assets (other than financial assets and deferred tax)	278,817	106,016	317,385	-	55,097	181,560	938,875
Total segment liabilities	**62,037,920**	**4,087,963**	**7,300,230**	**3,377,683**	**1,543,166**	**5,834,901**	**84,181,863**

Notes to the Financial Statements

30 June 2021

4. SEGMENT INFORMATION (CONTINUED)

(c) Segment Revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The entity is domiciled in Australia. The result of its revenue from external customers in Australia is $46,399,257 (2020: $29,776,583), and the total of revenue from external customers from other countries is $111,663,247(2020: $176,879,232). Segment revenues are allocated based on the country in which the customer is located.

	2021 $	2020 $
Total segment revenue	**161,534,130**	210,607,490
Unallocated	**641,518**	526,820
Total revenue as per the consolidated statement of comprehensive income	**162,175,648**	211,134,310

Revenues of approximately $50,394,067 (2020: $98,337,900) are derived from the top 3 customers. These revenues are attributable to the Minerals segment.

(d) Segment Profit Before Tax

The board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax.

A reconciliation of segment profit before tax to the profit before tax in the Consolidated Statement of Profit or Loss and Other Comprehensive Income is provided as follows:

	2021 $	2020 $
Segment profit before tax	**26,498,578**	21,449,117
Unallocated	**(5,009,197)**	(2,998,978)
Profit before income tax as per statement of comprehensive income	**21,489,381**	18,450,139

(e) Segment Assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the Financial Report. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

	2021 $	2020 $
Segment assets	**121,899,975**	125,354,087
Intersegment eliminations	**(5,670,938)**	(4,594,393)
Intangibles arising on consolidation	**6,126,228**	6,126,228
Unallocated segment assets:		
Cash and cash equivalents	**15,109,761**	21,828,982
Trade and other receivables	**6,541,616**	1,927,586
Right-of-use assets	**11,482,192**	-
Other unallocated segment assets	**8,563,616**	5,007,553
Total assets as per the consolidated balance sheet	**164,052,450**	155,650,043

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4. SEGMENT INFORMATION (CONTINUED)

(f) Segment Liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the Financial Report. These liabilities are allocated based on the operations of the segment.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2021 $	2020 $
Segment liabilities	**72,153,522**	84,181,863
Intersegment eliminations	**(5,537,040)**	(4,460,524)
Unallocated segments liabilities:		
Trade and other payables	**1,934,706**	2,194,898
Provision for income tax	**(2,600,645)**	1,190,822
Lease liabilities	**12,046,619**	-
Other unallocated segment liabilities	**(1,484,633)**	(5,299,637)
Total liabilities as per the consolidated balance sheet	**76,378,631**	77,807,422

5. REVENUE

(a) Disaggregation of Revenue from Contracts with Customers

	2021			2020		
	Engineering & related services $	Con-struction contracts $	Total $	Engineering & related services $	Con-struction contracts $	Total $
Minerals	**87,906,029**	**47,473,649**	**135,379,678**	92,169,586	86,791,204	178,960,790
Project Services - Africa	**589,087**	**-**	**589,087**	6,371,701	-	6,371,701
Process Industries	**6,760,213**	**-**	**6,760,213**	4,483,450	-	4,483,450
Other	**15,333,527**	**-**	**15,333,527**	16,839,874	-	16,839,874
Total revenue	**110,588,856**	**47,473,649**	**158,062,505**	119,864,611	86,791,204	206,655,815

(b) Assets and Liabilities Related to Contracts with Customers

	2021 $	2020 $
Asset recognised for costs incurred to fulfil a contract	**-**	-
Total contract assets	**-**	-
Advances received for construction contract work	**8,933,937**	42,402,611
Deferred services income	**8,121,426**	5,254,792
Total contract liabilities	**17,055,363**	47,657,403

(i) Significant changes in contract assets and liabilities

Advances received for construction contract work and deferred services income represent customer payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in 2022.

Notes to the Financial Statements

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5. REVENUE (CONTINUED)

(c) Other Income

	2021 $	2020 $
Other income		
Profit on sale of shares	213,458	-
Rental income	568,786	626,422
Wages subsidies	1,762,566	-
Sundry income	1,017,026	2,330,934
Total other income	3,561,836	2,957,356

6. EXPENSES

	2021 $	2020 $
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Fixtures and fittings	869,313	637,823
Leasehold improvements	223,302	242,562
Motor vehicles	8,920	7,142
Leased plant and equipment	40,150	264,622
Office premises right-of-use assets	3,344,937	6,616,163
Computer software	298,165	263,035
Total depreciation and amortisation	4,784,787	8,031,347
Net foreign exchange losses	465,165	601,234
Finance costs		
Interest and finance charges paid/payable on borrowings	45,902	140,732
Interest and finance charges paid/payable on lease liabilities	770,887	473,412
Total finance costs	816,789	614,144
Share based payments	438,517	215,306
Defined contribution superannuation expense	2,944,476	2,892,720

7. INCOME TAX EXPENSE

(a) Income Tax Expense

	2021 $	2020 $
Current tax on profits for the year	9,810,950	6,853,175
Deferred tax on profits for the year	(2,427,789)	301,334
Adjustments for current tax of prior periods	39,973	(380,996)
	7,423,134	6,773,513
Deferred income tax expense/(benefit) included in income tax expense comprises:		
Increase in deferred tax assets (note 16)	(7,021,931)	(247,738)
Increase in deferred tax liabilities (note 20)	4,594,142	549,072
	(2,427,789)	301,334

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7. INCOME TAX EXPENSE (CONTINUED)

(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	2021 $	2020 $
Profit before income tax expense	21,489,381	18,450,139
Tax at the Australian tax rate of 30% (2020: 30%)	6,446,814	5,535,042
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payment	131,555	64,592
Sundry items	40,618	37,072
Withholding tax gross-up	521,854	-
	7,140,841	5,636,706
Adjustments for current tax of prior periods - under/(over) provision of prior year income tax	(136,631)	(380,996)
Difference in overseas tax rates	(193,118)	(2,334)
Deferred taxes not recognised	(184,076)	286,554
Share of net profit of joint ventures accounted for using the equity method	(104,550)	(847,975)
Foreign tax incurred	900,668	2,081,558
Unfranked dividends received from joint ventures accounted for using the equity method	-	-
Total income tax expense	7,423,134	6,773,513

(c) Tax Consolidation

The company and its 100% owned Australian entities formed a tax consolidated group on 1 July 2013. Members of the consolidated group have entered into a tax sharing agreement in order to allocate income tax expense to the wholly owned Australian entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Lycopodium Limited.

Tax Effect Accounting by Members of the Tax Consolidated Group

Members of the tax consolidated group have entered into a tax funding agreement effective from 1 July 2013. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with the group allocation approach, which is consistent with the principles of AASB 112 Income Taxes.

The allocation of taxes under the tax funding agreement is recognised as an increase/(decrease) in the member entities' intercompany accounts with the tax consolidated group head company, Lycopodium Limited. In this regard, the company has assumed the benefit of tax losses from the member entities as of the balance date. The nature of the tax funding agreement is such that no tax consolidated contributions by or distributions to participant's equity are required.

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8. CURRENT ASSETS - CASH AND CASH EQUIVALENT

	2021 $	2020 $
Cash at bank and in hand	76,841,139	102,888,489

(a) Risk Exposure

The Group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Trade receivables	34,250,867	24,410,719
Allowance for expected credit loss (a)	(1,185,825)	(1,228,158)
	33,065,042	23,182,561
GST and other receivables	6,789,217	3,685,171
Cash advanced to employees	12,858	28,277
Loan to joint ventures	4,020,000	20,000
	10,822,075	3,733,448
	43,887,117	26,916,009

(a) Allowance for Expected Credit Loss

Movements in allowance for expected credit loss of trade receivables are as follows:

	2021 $	2020 $
At 1 July	1,228,158	902,701
Allowance for expected credit loss recognised during the year	-	409,595
Unused amount reversed	(104,045)	(41,278)
Exchange difference	61,712	(42,860)
At 30 June	1,185,825	1,228,158

The other classes within trade and other receivables do not contain impaired assets.

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9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Allowance for Expected Credit Loss (continued)

The expected credit loss for trade receivables as at 30 June 2021 and 30 June 2020 are as follows:

30 June 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected credit loss rate	0%	0%	0%	44.1%	-
Gross carrying amount	19,313,488	7,554,980	4,692,350	2,690,049	34,250,867
Lifetime expected credit loss	-	-	-	1,185,825	1,185,825
30 June 2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected credit loss rate	0%	0%	0%	30.2%	-
Gross carrying amount	17,581,968	1,798,910	965,090	4,064,751	24,410,719
Lifetime expected credit loss	-	-	-	1,228,158	1,228,158

(b) Risk Exposure

Information about the Group's exposure to foreign exchange risk and interest rate risk is provided in note 2.

(c) Fair Value and Credit Risk

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to note 2 for more information on the risk management policy of the Group.

10. CURRENT ASSETS - OTHER CURRENT ASSETS

	2021 $	2020 $
Other current assets (a)	532,468	686,193
Prepayments	1,950,294	1,828,995
	2,482,762	2,515,188

(a) Other Current Assets

Other current assets consist of deposits held with licensed banks as security/bond on the various properties leased by the Group.

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11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Categories of Financial Assets and Liabilities

Notes 1(q) and 1(r) provides a description of each category of financial assets and liabilities and the related accounting policies. The carrying amounts of financial assets and liabilities in each category are as follows:

Financial Assets 2021	Note	Fair value through profit or loss $	Amortised cost $	Total $
Cash and cash equivalents	8	-	76,841,139	76,841,139
Trade and other receivables	9	-	43,887,117	43,887,117
Deposits held with banks	10	-	532,468	532,468
Investment in listed equities	11(c)	739,920	-	739,920
Other Receivables	12	-	189,413	189,413
		739,920	121,450,137	122,190,057

Financial Assets 2020	Note	Fair value through profit or loss $	Amortised cost $	Total $
Cash and cash equivalents	8	-	102,888,489	102,888,489
Trade and other receivables	9	-	26,916,009	26,916,009
Deposits held with banks	10	-	686,193	686,193
Investment in listed equities	11(c)	886,377	-	886,377
Other Receivables	12	-	145,092	145,092
		886,377	130,635,783	131,522,160

Financial Liabilities 2021	Note	Fair value through profit or loss $	Amortised cost $	Total $
Trade and other payables		-	12,083,924	12,083,924
Borrowings	11(b)	-	2,165,023	2,165,023
Lease liabilities		-	15,738,888	15,738,888
		-	29,987,835	29,987,835

Financial Liabilities 2020	Note	Fair value through profit or loss $	Amortised cost $	Total $
Trade and other payables		-	12,503,674	12,503,674
Borrowings	11(b)	-	468,412	468,412
Lease liabilities		-	3,190,101	3,190,101
		-	16,162,187	16,162,187

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 2.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 1(q) and (r).

Notes to the Financial Statements

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11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(b) Borrowings

Borrowings include the following financial liabilities:

	2021			2020		
	Current $	Non-current $	Total $	Current $	Non-current $	Total $
Secured						
Finance leases	760,274	1,404,749	2,165,023	134,850	164,255	299,105
Total secured borrowings	760,274	1,404,749	2,165,023	134,850	164,255	299,105
Unsecured						
Other loans	-	-	-	169,307	-	169,307
Total unsecured borrowings	-	-	-	169,307	-	169,307
Total borrowings	760,274	1,404,749	2,165,023	304,157	164,255	468,412

All borrowings are denominated in AUD.

Bank borrowings are secured by plant and equipment owned by the Group. Current interest rates are variable and average 2.55% (2020: 4.99%). The carrying amount of bank borrowings is considered to be a reasonable approximation of fair value.

Notes to the Financial Statements

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11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(c) Fair Value Measurement

Financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2021 and 30 June 2020.

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets / (liabilities)				
Listed Securities	739,920	-	-	739,920
Net fair value	**739,920**	**-**	**-**	**739,920**

2020	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets / (liabilities)				
Listed Securities	886,377	-	-	886,377
Net fair value	**886,377**	**-**	**-**	**886,377**

There were no transfers between Level 1 and Level 2 in 2021 and 2020.

Reconciliation	2021 $	2020 $
Listed securities		
Balance 1 July	886,377	801,945
Additions	-	75,000
Revaluation	(29,790)	9,432
Disposals	(116,667)	-
Balance 30 June	739,920	886,377

Measurement of Fair Value of Financial Instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the Chief Financial Officer and to the audit committee.

The valuation techniques used for instruments categorised in Level 2 are described below:

Foreign currency forward contracts (Level 2)

The Group's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

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12. NON-CURRENT ASSETS - OTHER RECEIVABLES

	2021 $	2020 $
Loans under senior management share acquisition plan	109,413	145,092
Other receivables	80,000	-
	189,413	145,092

(a) Impaired Receivables and Receivables Past Due

None of the non-current receivables are impaired or past due but not impaired.

13. NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2021 $	2020 $
Investment in joint ventures	2,093,622	1,911,797
Investment in associates	1,776,685	1,619,126
	3,870,307	3,530,923

(a) Investment in Joint Ventures

The Group has the following joint ventures:

Name of Joint Venture	Country of incorporation & principal place of business	Principal activities	Proportion of ownership interest held by the Group 2021	Proportion of ownership interest held by the Group 2020
Mondium Pty Ltd ('Mondium')	Australia	Engineering and construction services	40%	40%
Orway IQ Pty Ltd ('OIQ') Incorporated in May 2019	Australia	Remote optimisation consulting services	50%	50%

The Group's share of the results of its principal joint ventures:	2021 $	2020 $
Profit from continuing operations	181,826	1,911,796
Other comprehensive income	-	-
Total comprehensive income	181,826	1,911,796
Carrying amount of the Group's interest in joint ventures	2,093,622	1,911,796

13. NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(a) Investment in Joint Ventures (continued)

Joint ventures summarised Statement of Financial Position	2021 $	2020 $
Cash and cash equivalents	4,582,826	63,213,478
Current assets	64,054,104	80,914,787
Non-current assets	4,238,517	452,266
Total assets	68,292,621	81,367,053
Current liabilities	59,614,443	76,212,538
Non-current liabilities	3,444,123	1,995
Total liabilities	63,058,566	76,214,533
Net assets	5,234,055	5,152,520
Group's share of joint ventures net assets	2,093,622	2,061,008

(b) Investment in Associates

Name of Joint Venture	Country of incorporation & principal place of business	Principal activities	Proportion of ownership interest held by the Group	
			2021	2020
ECG Engineering Pty Ltd	Australia	Electrical engineering services	31%	31%
Kholo Marine & Minerals (Pty) Ltd Incorporated July 2019	South Africa	Engineering and consulting services	49%	49%

The Group's share of the results of its principal associates:	2021 $	2020 $
Profit from continuing operations	961,183	997,951
Other comprehensive income	-	-
Total comprehensive income	961,183	997,951
Carrying amount of the Group's interest in associates	1,776,685	1,619,126

Included in the carrying amount of the company interest in associate is dividends of $803,624 (2020: $771,289)

14. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings $	Motor vehicles $	Leasehold improvements $	Leased plant and equipment $	Total $
At 1 July 2019					
Cost or fair value	8,278,724	188,694	1,644,199	1,632,668	11,744,285
Accumulated depreciation	(6,309,318)	(157,345)	(420,844)	(1,088,326)	(7,975,833)
Net book amount	**1,969,406**	**31,349**	**1,223,355**	**544,342**	**3,768,452**
Year ended 30 June 2020					
Opening net book amount	1,969,406	31,349	1,223,355	544,342	3,768,452
Additions	472,259	-	-	137,738	609,997
Disposals	(4,627)	(4,975)	-	-	(9,602)
Depreciation charge	(637,823)	(7,142)	(242,562)	(264,622)	(1,152,149)
Transfers	227,051	-	-	(227,051)	-
Exchange differences	(51,270)	(3,044)	30,772	-	(23,,542)
Closing net book amount	**1,974,996**	**16,188**	**1,011,565**	**190,407**	**3,193,156**
At 30 June 2020					
Cost or fair value	9,676,586	157,786	1,676,750	390,743	11,901,865
Accumulated depreciation	(7,701,590)	(141,598)	(665,185)	(200,336)	(8,708,709)
Net book amount	**1,974,996**	**16,188**	**1,011,565**	**190,407**	**3,193,156**

Year ended 30 June 2021	Fixtures and fittings $	Motor vehicles $	Leasehold improvements $	Leased plant and equipment $	Total $
Opening net book amount	1,974,996	16,188	1,011,565	190,407	3,193,156
Additions	2,537,663	129,377	-	-	2,667,040
Disposals	(17,568)	(1,337)	-	-	(18,905)
Depreciation charge	(869,313)	(8,920)	(223,302)	(40,150)	(1,141,685)
Transfers	47,439	-	-	(47,439)	-
Exchange differences	5,653	1,865	(35,367)	-	(27,849)
Closing net book amount	**3,678,870**	**137,173**	**752,896**	**102,818**	**4,671,757**
At 30 June 2021					
Cost	12,570,686	271,138	1,613,854	137,738	14,593,416
Accumulated depreciation	(8,891,816)	(133,965)	(860,958)	(34,920)	(9,921,659)
Net book amount	**3,678,870**	**137,173**	**752,896**	**102,818**	**4,671,757**

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15. NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS

	2021 $	2020 $
Land and buildings – right-of-use	**18,639,560**	4,777,832
Accumulated depreciation	**(3,714,280)**	(1,776,844)
Net book amount	**14,925,280**	3,000,988

Additions to the right-of-use assets during the year were $15,448,289

Reconciliation	2021 $	2020 $
Right of use assets		
Balance 1 July	**3,000,988**	-
Additions	**15,448,289**	9,617,151
Depreciation	**(3,344,937)**	(6,616,163)
Currency translation differences during the year	**(179,060)**	-
Balance 30 June	**14,925,280**	3,000,988

The Group leases office space under agreements of between five to eight years with, in some cases, option to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment and motor vehicles under agreements of between two and five years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

16. NON-CURRENT ASSETS - DEFERRED TAX ASSETS

	2021 $	2020 $
The balance comprises temporary differences attributable to:		
Unused tax losses	**64,789**	541,646
Employee benefits	**2,374,441**	2,217,721
Doubtful debts	**175,150**	57,802
Accrued expenses	**112,044**	200,657
Deferred revenue	**497,837**	117,778
Other provisions	**4,344,299**	941,202
Depreciation	**27,476**	9,539
Finance leases	**-**	58,324
Lease liabilities	**4,201,860**	631,296
	11,797,896	4,775,965
Set-off of deferred tax liabilities pursuant to set-off provisions (note 20)	**(5,608,446)**	(1,014,304)
Net deferred tax assets	**6,189,450**	3,761,661
Deferred tax assets expected to be recovered within 12 months	**7,593,741**	4,058,400
Deferred tax assets expected to be recovered after more than 12 months	**4,204,155**	717,565
	11,797,896	4,775,965

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16. NON-CURRENT ASSETS – DEFERRED TAX ASSETS (CONTINUED)

Movements	Doubtful debts $	Employee benefits $	Deferred revenue $	Accrued expenses $	Other provisions $	Depreciation $	Finance leases $	Unused tax losses $	Lease liabilities $	Total $
At 1 July 2019	53,645	2,627,750	96,017	95,056	1,400,728	-	168,620	86,411	-	4,528,227
Credited/(charged)										
- to profit or loss	4,157	(410,029)	21,761	105,601	(459,526)	9,539	(110,296)	455,235	631,296	247,738
Exchange rate differences	-	-	-	-	-	-	-	-	-	-
At 30 June 2020	**57,802**	**2,217,721**	**117,778**	**200,657**	**941,202**	**9,539**	**58,324**	**541,646**	**631,296**	**4,775,965**

Movements	Doubtful debts $	Employee benefits $	Deferred revenue $	Accrued expenses $	Other provisions $	Depreciation $	Finance leases $	Unused tax losses $	Lease liabilities $	Total $
At 1 July 2020	57,802	2,217,721	117,778	200,657	941,202	9,539	58,324	541,646	631,296	4,775,965
Credited/(charged)										
- to profit or loss	117,348	156,720	380,059	(88,613)	3,403,097	17,937	(58,324)	(476,857)	3,570,564	7,021,931
At 30 June 2021	**175,150**	**2,374,441**	**497,837**	**112,044**	**4,344,299**	**27,476**	**-**	**64,789**	**4,201,860**	**11,797,896**

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17. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Goodwill $	Software $	Customer contracts $	Total $
At 1 July 2019				
Cost	8,885,406	2,644,899	315,000	11,845,305
Accumulated amortisation and impairment	(2,678,132)	(2,114,726)	(315,000)	(5,107,858)
Net book amount	**6,207,274**	**530,173**	**-**	**6,737,447**
Year ended 30 June 2020				
Opening net book amount	6,207,274	530,173	-	6,737,447
Additions	-	394,963	-	394,963
Amortisation charge *	-	(263,035)	-	(263,035)
Exchange differences	-	(30,645)	-	(30,645)
Closing net book amount	**6,207,274**	**631,456**	**-**	**6,838,730**
At 30 June 2020				
Cost	8,885,406	2,994,488	315,000	12,194,894
Accumulated amortisation and impairment	(2,678,132)	(2,363,032)	(315,000)	(5,356,164)
Net book amount	**6,207,274**	**631,456**	**-**	**6,838,730**

Year ended 30 June 2021	Goodwill $	Software $	Customer contracts $	Total $
Opening net book amount	6,207,274	631,456	-	6,838,730
Additions	-	238,608	-	238,608
Impairment	-	(60,215)		(60,215)
Amortisation charge *	-	(298,165)	-	(298,165)
Exchange differences	-	24,692	-	24,692
Closing net book amount	**6,207,274**	**536,376**	**-**	**6,743,650**
At 30 June 2021				
Cost	8,885,406	3,142,631	315,000	12,343,037
Accumulated amortisation	(2,678,132)	(2,606,255)	(315,000)	(5,599,387)
Net book amount	**6,207,274**	**536,376**	**-**	**6,743,650**

* Group amortisation of $298,165 (2020: $263,035) is included in depreciation and amortisation expense in the Statement of Profit or Loss and Other Comprehensive Income.

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17. NON-CURRENT ASSETS - INTANGIBLE ASSETS (CONTINUED)

(a) Impairment Tests for Goodwill

Goodwill is allocated to the Group cash-generating units (CGUs) identified according to business segment and country of operation.

A segment-level summary of the goodwill allocation is presented below.

2021	Australia $	Other countries $	Total $
Minerals	3,622,991	2,465,026	6,088,017
Metallurgical	119,257	-	119,257
	3,742,248	**2,465,026**	**6,207,274**

2020	Australia $	Other countries $	Total $
Minerals	3,622,991	2,465,026	6,088,017
Metallurgical	119,257	-	119,257
	3,742,248	**2,465,026**	6,207,274

(b) Key Assumptions Used for Value-in-Use Calculations

The recoverable amount of each CGU within the business segment is determined on the basis of value-in-use (VIU). All key assumptions below have been adjusted to take into account the impacts of COVID-19 on the respective CGU's. In the Minerals CGU, our experience and strength in the gold sector and opportunities in sustaining capital works projects underpins the forecast growth both internationally and domestically.

The following describes the assumptions on which management has based its cash flow projections when determining value in use:

Growth Rate

The growth rate represents a steady indexation rate which does not exceed management's expectations of the long term average growth rate for the business in which each CGU operates. The rate applied in the cash flow projection is 1.4% (2020: 1.4%).

Discount Rate

For the Australian CGUs, the pre-tax discount rate applied to cash flow projections is 6.80% (2020: 5.64%) and for the Minerals CGUs in other countries, the pre-tax discount rate is 13.80% (2020: 13.96%).

Cash Flows

Value-in-use calculations use cash flow projections from approved budgets based on past performance and expectations for the future covering a three year period.

Revenue

The value-in-use model is based on the budget approved by the Board. The forecast budget process was developed based on revenue expectations for the year built around existing customer contracts along with the potential to develop new markets and sustain growth.

Sensitivities

The Board has performed sensitivities around all key assumptions disclosed above. There are no fluctuations to any of the assumptions that could reasonably occur that would cause the recoverable amount of the CGU to be equivalent to that of the carrying amount of the CGUs assets.

Notes to the Financial Statements

30 June 2021

17. NON-CURRENT ASSETS - INTANGIBLE ASSETS (CONTINUED)

(c) Cash Flow Assumptions

Minerals, Infrastructure and Metallurgical

Apart from the considerations described in determining the value-in-use of the cash-generating units described above, the Board is not currently aware of any other probable changes that would necessitate changes in its key estimates.

18. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	4,731,031	6,918,615
Goods and services tax (GST) payable	3,315,182	3,288,840
Sundry creditors and accrued expenses	7,352,893	5,585,059
Employee benefit obligations (a)	7,572,761	7,418,987
	22,971,867	23,211,501

Included in the above are financial liabilities of $12,083,924 (2020: $12,503,674).

(a) Amounts not Expected to be Settled Within the Next 12 Months

Employee benefit obligations include accruals for annual leave and unconditional entitlements of long service leave. The entire obligation is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2021 $	2020 $
Annual leave obligation expected to be settled after 12 months	1,293,083	988,169
Long service leave obligation expected to be settled after 12 months	1,338,608	1,275,578
	2,631,691	2,263,747

(b) Risk Exposures

Details of the Group's exposure to foreign exchange risk is provided in note 2.

Notes to the Financial Statements

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19. CURRENT LIABILITIES – PROVISIONS

	2021 $	2020 $
Service and equipment warranties	13,340,431	2,318,125

(a) Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

2021	Service and equipment warranties $	Total $
Carrying amount at beginning of year	2,318,125	2,318,125
Provisions recognised	11,022,306	11,022,306
Carrying amount at end of year	**13,340,431**	**13,340,431**

The Group recognises service and equipment warranty provisions in accordance with its current policy. The amount provided takes into account the percentage completion of the project, forecast to complete costs plus any close-out obligations and potential contractual liabilities during the warranty period.

20. NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

	2021 $	2020 $
The balance comprises temporary differences attributable to:		
Accrued income	199,548	182,859
Other provisions	1,359,638	10,344
Depreciation & amortisation	42,461	200,698
Prepaid expenses	10,540	34,946
Right-of-use assets	3,996,259	585,457
	5,608,446	1,014,304
Set-off of deferred tax liabilities pursuant to set-off provisions (note 16)	(5,608,446)	(1,014,304)
Net deferred tax liabilities	-	-
Deferred tax liabilities expected to be settled within 12 months	1,569,726	813,605
Deferred tax liabilities expected to be settled after more than 12 months	4,038,720	200,699
	5,608,446	1,014,304

Movements	Depreciation & amortisation $	Accrued income $	Other provisions $	Prepaid expenses $	Right-of-use assets $	Total $
At 1 July 2019	117,128	241,381	66,018	40,705	-	465,232
Charged/(credited)						
- profit or loss	83,570	(58,522)	(55,674)	(5,759)	585,457	549,072
At 30 June 2020	**200,698**	**182,859**	**10,344**	**34,946**	**585,457**	**1,014,304**
At 1 July 2020	200,698	182,859	10,344	34,946	585,457	1,014,304
Charged/(credited)						
- profit or loss	(158,237)	16,689	1,349,294	(24,406)	3,410,802	4,594,142
At 30 June 2021	**42,461**	**199,548**	**1,359,638**	**10,540**	**3,996,259**	**5,608,446**

Notes to the Financial Statements

30 June 2021

21. NON-CURRENT LIABILITIES - PROVISIONS

	2021 $	2020 $
Employee benefits - long service leave	165,864	128,135

22. CONTRIBUTED EQUITY

(a) Share Capital

Details of the Company's exposure to foreign exchange risk is provided in note 2.

	2021 $	2020 $	2021 $	2020 $
Ordinary shares				
Fully paid	39,740,226	39,732,373	20,854,574	20,823,772

On 6 July 2020, 7,853 (2020: nil) ordinary shares at issue price of $30,802 were issued as a result of performance rights being exercised.

The average issue price of ordinary shares fully paid is $0.52.

(b) Ordinary Shares

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.

(c) Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, to continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position (including non-controlling interests) plus net debt.

During 2021, the Group's strategy was to maintain a gearing ratio of less than 40%. The gearing ratios at 30 June 2021 and 30 June 2020 were as follows:

	2021 $	2020 $
Total borrowings (including payables)	42,192,253	71,337,316
Less: cash and cash equivalents	(76,841,139)	(102,888,489)
Net debt	(34,648,886)	(31,551,173)
Total equity	87,673,819	77,842,621
Total capital	53,024,933	46,291,448
Gearing ratio	(40)%	(41)%

Notes to the Financial Statements

30 June 2021

23. RESERVES

	2021 $	2020 $
Performance rights reserve	623,021	215,306
Foreign currency translation reserve	(852,957)	(2,062,155)
	(229,936)	(1,846,849)

Movements	2021 $	2020 $
Performance rights reserve		
Balance 1 July	215,306	-
Performance rights plan expense	438,517	215,306
Transfer to share capital - exercise of rights	(30,802)	-
Balance 30 June	623,021	215,306
Foreign currency translation reserve		
Balance 1 July	(2,062,155)	(602,928)
Currency translation differences arising during the year	1,209,198	(1,459,227)
Balance 30 June	(852,957)	(2,062,155)

(a) Nature and Purpose of Reserves

(i) Performance Rights Reserve

The performance rights reserve is used to recognise the fair value of rights issued to certain directors or employees during the year.

(ii) Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income as described in note 1(e) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

24. RETAINED EARNINGS

	2021 $	2020 $
Balance 1 July	59,520,395	59,636,154
Profit for the year	14,199,449	11,803,953
Dividends paid or payable	(5,961,033)	(11,919,712)
Balance 30 June	67,758,811	59,520,395

Notes to the Financial Statements

30 June 2021

25. NON-CONTROLLING INTERESTS

	2021 $	2020 $
Share capital	13,264	13,264
Reserves	4,003	4,003
Non-controlling interest on acquisition	(288,240)	(288,240)
Retained earnings	(438,657)	(383,724)
	(709,630)	(654,697)

26. DIVIDENDS

(a) Ordinary Shares

	2021 $	2020 $
Final dividends for year ended 30 June 2020 of 5.0 cents (2019: 15.0 cents) per fully paid share paid on 9 October 2020 (2019: 11 October 2019) Fully franked based on tax paid at 30% (2020: 30%)	1,987,011	5,959,856
Interim dividend for the year ended 30 June 2021 of 10.0 cents (2020: 15.0 cents) per fully paid share paid on 8 April 2021 (2020: 7 April 2020) Fully franked based on tax paid at 30% (2020: 30%)	3,974,022	5,959,856
Total dividends provided for or paid	5,961,033	11,919,712

(b) Dividends Not Recognised at the End of the Reporting Period

	2021 $	2020 $
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 15.0 cents per fully paid ordinary share (2020: 5.0 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 8 October 2021 out of retained earnings at 30 June 2021, but not recognised as a liability at year end, is	5,961,034	1,987,011

(c) Franked Dividends

	2021 $	2020 $
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2020: 30%)	14,203,976	13,916,585

The above amounts are calculated from the balance of the franking account as at the end of the reporting year, 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:

(a) franking credits that will arise from the payment of the amount of the provision for income tax

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $2,554,729 (2020: $851,576).

Notes to the Financial Statements

30 June 2021

27. REMUNERATION OF AUDITORS

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

(a) RSM Australia Partners (2020: RSM Australia Partners)

	2021 $	2020 $
Audit and other assurance services		
Audit and review of financial reports	174,500	169,875
Total remuneration	174,500	169,875

(b) Non-RSM Australia Partners (2020: Non-RSM Australia Partners)

(i) Audit and other assurance services

	2021 $	2020 $
Audit and other assurance services		
Audit and review of financial statements	-	-
Taxation services		
Tax compliance services (including income tax returns)	-	-
Total remuneration of network firms of RSM Australia Partners	-	-

(c) Non-RSM Australia Partners (2020: Non-RSM Australia Partners)

	2021 $	2020 $
Audit and other assurance services		
Audit and review of financial statements	110,440	156,928
Taxation services		
Tax compliance services (including income tax returns)	41,103	37,083
Other services		
Other services	15,386	104,850
Total remuneration of non-RSM Australia Partners audit firms	166,929	298,861
Total auditors' remuneration	341,429	468,736

Notes to the Financial Statements

30 June 2021

28. CONTINGENCIES

The Group had contingent liabilities at 30 June 2021 and 30 June 2020 in respect of:

(a) Contingent Liabilities

(i) Guarantees

Guarantees are given in respect of rental bonds for $2,174,870 (2020: $1,830,584).

These guarantees may give rise to liabilities in the event that the Group defaults on its obligations under the terms of the lease agreement for its premises at 1 Adelaide Terrace, East Perth, 60 Leichhardt Street, Spring Hill, 253-269 Wellington Road, Mulgrave, 138-140 Beaumont Street, Hamilton, Centennial Place, Century Boulevard, Century City, Cape Town, South Africa and Golf Park, Cape Town, South Africa.

Insurance bonds of $13,915,789 are provided in respect of performance and defects warranty as at 30 June 2021 (2020: $18,637,215).

No material losses are anticipated in respect of any of the above contingent liabilities (2020: Nil).

29. COMMITMENTS

(a) Capital Commitments

There was no capital expenditure contracted for at the reporting date which has not been recognised as a liability (2020: Nil).

30. RELATED PARTY TRANSACTIONS

(a) Parent Entity

The parent entity within the Group is Lycopodium Limited, which is incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 31.

(c) Key Management Personnel

	2021 $	2020 $
Short-term employee benefits	**2,716,914**	2,716,132
Post-employment benefits	**152,129**	184,803
Share-based payments	**233,286**	71,092
	3,102,329	2,972,027

Detailed remuneration disclosures are provided in the Remuneration Report on pages 14 to 18.

(d) Transactions with Other Related Parties

The following transactions occurred with related parties:

	2021 $	2020 $
Sales of goods and services		
Sales to associates and joint ventures	**9,948,179**	13,943,972
Purchases of goods and services		
Purchases from associates	**5,071,260**	5,398,384

Notes to the Financial Statements

30 June 2021

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding Balances Arising from Sales/Purchases of Goods and Services

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

	2021 $	2020 $
Current receivables		
Associates and joint ventures	**800,960**	496,027
Current payables		
Associates	**588,497**	547,109

(f) Loans to/from Related Parties

	2021 $	2020 $
Loans to joint ventures		
Beginning of the year	**20,000**	820,000
Loans advanced	**4,000,000**	20,000
Repayments made	**-**	(820,000)
End of the year	**4,020,000**	20,000

Total loan commitment to Mondium is up to $24 million.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

(g) Terms and Conditions

Purchases and sales of goods and services with statutory joint ventures are made at cost.

Purchases and sales of goods and services with the associate are made at arms-length.

Loans advanced to the joint venture is repayable within 12 months. Interest is payable on the loan at a rate of 2.05% per annum.

Outstanding balances are unsecured and are repayable in cash.

Notes to the Financial Statements

30 June 2021

31. SUBSIDIARIES

(a) Significant Investments in Subsidiaries

The consolidated financial report incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation / principal activity	Class of shares	2021 %	2020 %
Lycopodium Minerals Pty Ltd	Australia (1)	Ordinary	100	100
Lycopodium Process Industries Pty Ltd	Australia (1)	Ordinary	100	100
Orway Mineral Consultants (WA) Pty Ltd	Australia (1)	Ordinary	100	100
Lycopodium Ghana Ltd	Ghana (2)	Ordinary	100	100
Lycopodium Burkina Faso SARL	Burkina Faso (2)	Ordinary	100	100
Lycopodium Infrastructure Pty Ltd	Australia (1)	Ordinary	100	100
Lycopodium Minerals Canada Ltd	Canada (1)	Ordinary	100	100
Lycopodium Philippines Pty Ltd	Australia (1)	Ordinary	100	100
Orway Mineral Consultants (Canada) Ltd	Canada (1)	Ordinary	100	100
ADP Holdings (Pty) Limited	South Africa (1)	Ordinary	100	100
Lycopodium Asset Management Pty Ltd	Australia	Ordinary	100	100
Lycopodium Minerals QLD Pty Ltd	Australia	Ordinary	100	100
Lycopodium Rail Pty Ltd	Australia	Ordinary	100	100
Lycopodium Management Consulting Pty Ltd	Australia	Ordinary	100	100
Lycopodium Share Plan Pty Ltd	Australia	Ordinary	100	100
Lycopodium Rail Pty Ltd	Australia	Ordinary	100	100
Lycopodium Americas Pty Ltd	Australia	Ordinary	100	100
Lycopodium (Ghana) Pty Ltd	Australia	Ordinary	100	100
Orway Mineral Consultants Americas Pty Ltd	Australia	Ordinary	100	100
ECG Engineering (Queensland) Pty Ltd	Australia	Ordinary	31	31
Mondium Pty Ltd	Australia	Ordinary	40	40
Orway IQ Pty Ltd	Australia	Ordinary	50	50
ECG Engineering Pty Ltd	Australia	Ordinary	31	31
Kholo Marine and Minerals (Pty) Ltd	South Africa	Ordinary	49	49

(1) Engineering, procurement, construction management services
(2) Offshore project support services

32. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to year end the Directors have recommended the payment of a final dividend on ordinary shares in respect of the 2021 financial year. The total amount of the dividend is $5,961,034 (2020: $1,987,011), which represents a fully franked dividend of 15.0 (2020: 5.0) cents per fully paid ordinary share.

With the exception of the above, no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

Notes to the Financial Statements

30 June 2021

33. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 $	2020 $
Profit for the year	14,066,247	11,676,626
Depreciation and amortisation	4,784,787	8,031,347
Loans (repaid) from/to joint venture (incl at cash flows from financing activities)	-	(820,000)
Non-cash employee benefits expense - share-based payments	407,715	215,306
Non-cash shares received in lieu of payment for services	-	(84,435)
Net loss/on sale of non-current assets	68,762	9,591
Share of net profit of associate and joint venture accounted for using the equity method	(1,143,008)	(2,909,743)
Interest relating to financing activities	737,724	604,493
Other expenses	-	(257,633)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade debtors and other receivables	(14,157,278)	7,478,830
Decrease in contract assets	-	1,497,467
Increase in inventories	(435,092)	(220,986)
Decrease in deferred tax assets	112,809	301,334
Decrease in other operating assets	32,426	1,320,463
(Decrease/increase in trade creditors	(929,243)	1,272,725
(Decrease)/Increase in contract liabilities	(30,602,040)	33,864,162
Decrease in provision for income taxes payable	2,278,599	1,255,192
Increase in derivative financial assets	-	(163,044)
Increase/(decrease) in other provisions	11,060,035	(882,671)
Net cash (outflow)/inflow from operating activities	(13,717,557)	62,189,024

Notes to the Financial Statements

30 June 2021

34. EARNINGS PER SHARE

(a) Basic Earnings Per Share

	2021 Cents	2020 Cents
Basic earnings per share attributable to the ordinary equity holders of the Group	35.7	29.7

(b) Diluted Earnings Per Share

	2021 Cents	2020 Cents
Diluted earnings per share attributable to the ordinary equity holders of the Group	35.5	29.6

(c) Reconciliation of Earnings used in Calculating Earnings Per Share

	2021 $	2020 $
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Group used in calculating basic earnings per share	14,199,449	11,803,953
Diluted earnings per share		
Used in calculating diluted earnings per share	14,199,449	11,803,953

(d) Weighted Average Number of Shares Used as Denominator

	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	39,740,226	39,732,373
Adjustments for calculation of diluted earnings per share:		
Performance rights	277,498	158,223
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	40,017,724	39,890,596

35. SHARE-BASED PAYMENTS

(a) Incentive Performance Rights Plan

Performance rights were granted to certain employees and executive directors during the year under the Lycopodium Group Performance Rights Plan as approved at the Annual General Meeting on 21 November 2019. The rights were designed to give incentive to the employees and Executive Directors to provide dedicated and ongoing commitment and effort to the Group and aligning the interest of both employees and shareholders.

Notes to the Financial Statements

30 June 2021

35. SHARE-BASED PAYMENTS (CONTINUED)

(a) Incentive Performance Rights Plan (continued)

Set out below are summaries of rights granted under the plan:

Grant date 2021	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number
1 July 2019	29 June 2024	$0.00	50,000	-	-	-	50,000
28 November 2019	26 November 2024	$0.00	184,820	-	(7,853)	(8,647)	168,320
11 December 2020	10 December 2025	$0.00	-	107,168	-	-	107,168
			234,820	**107,168**	**(7,853)**	**(8,647)**	**325,488**

Grant date 2020	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number
1 July 2019	29 June 2024	$0.00	-	50,000	-	-	50,000
28 November 2019	26 November 2024	$0.00	-	184,820	-	-	184,820
			-	**234,820**	**-**	**-**	**234,820**

Rights exercised during the financial year 7,853 (2020: nil).

The weighted average remaining contractual life of rights outstanding at the end of the financial year was 3.7 years (2020: 3.5).

For the rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fire value at grant date
11 December 2020	10 December 2025	$4.80	$0.00	32%	4.2%	0.1%	$4.72

(b) Expenses Arising from Share-Based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:

	2021 $	2020 $
Rights issued under the Incentive Performance Rights Plan	438,517	215,306

Notes to the Financial Statements

30 June 2021

36. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary Financial Information

The individual financial report for the parent entity show the following aggregate amounts:

	2021 $	2020 $
Statement of Financial Position		
Current assets	**31,849,768**	30,297,627
Non-current assets	**45,813,335**	33,840,432
Total assets	**77,663,103**	64,138,059
Current liabilities	**4,743,593**	4,285,888
Non-current liabilities	**12,157,664**	7,910
Total liabilities	**16,901,257**	4,293,798
Net assets	**60,761,846**	59,844,261
Shareholders' equity		
Contributed equity	**20,854,574**	20,823,772
Performance rights	**623,021**	215,306
Retained earnings	**39,284,251**	38,805,183
	60,761,846	59,844,261
Profit for the year	**6,440,102**	19,812,586
Total comprehensive income	**6,440,102**	19,812,586

(b) Guarantees Entered Into by the Parent Entity

In 2018, the parent entity entered into an arrangement with an insurer for a standby insurance bond facility of $50.0m. In return, the parent entity and Lycopodium Minerals Pty Ltd jointly executed a cross guarantee and indemnity as security for the facility.

(c) Contingent Liabilities of the Parent Entity

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

(d) Contractual Commitments for the Acquisition of Property, Plant or Equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2021 or 30 June 2020.

Tailings Retreatment Project, Western Australia

Western Turner Syncline Phase 2 Project, Western Australia

Directors' Declaration

In the Directors' opinion:

(a) the attached financial statement and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional report requirements;

(b) The attached financial statement and notes comply with the *International Financial Reporting Standards* as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

(c) The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date;

(d) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

On behalf of the Directors.

Peter De Leo
Managing Director
Lycopodium Limited

Perth
24 August 2021

Independent Auditor's Report

RSM

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

Opinion

We have audited the financial report of Lycopodium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 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 and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

RSM

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Revenue Refer to Note 5 in the financial statements	
The Group has recognised a total of $158,062,505 revenue from contracts with customers. As disclosed in note 1 (d), these revenues are recognised over time as performance obligations are fulfilled. Construction contracts, engineering and related services revenue is recognised by management after assessing all factors relevant to each contract, including specifically the following as applicable: • Determination of the stage of completion and measurement of progress towards performance obligations; • Estimation of total contract revenue and costs 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. This area is a key audit matter due to the number and type of estimation events over the course of the contract life, the unique nature of individual contract conditions, leading to complex and judgmental revenue recognition from contracts.	Our audit procedures included: • reviewing contractual terms with customers and substantiating project revenues and costs incurred against underlying supporting documents; • assessing management's assumptions in determining the stage of completion, total transaction price and total budgeted cost estimate; • checking mathematical accuracy of revenue and profit recognised during the year based on the stage of completion; • reviewing customers' and subcontractors' correspondence and discussing the progress of projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that would impact the estimated contract costs; and • discussing with project personnel and management the rationale for revisions made to budgeted costs and checked supporting documentation.
Impairment of goodwill Refer to Note 17 in the financial statements	
The carrying amount of goodwill at 30 June 2021 was $6,207,274. Management performs an annual impairment test on the recoverability of goodwill as required by Australian Accounting Standards. We determined this area to be a key audit matter as management's assessment of the value in use of the cash generating unit (CGU) involves judgement about the future cash flow projections, expected revenue growth rates and the discount rate.	Our audit procedures included: • assessing management's determination of how goodwill is allocated to each CGU; • conducting a review of the appropriateness of the value-in-use model used; • challenging the reasonableness of key assumptions, including future cash flow projections, expected revenue growth rates and the discount rate; • reviewing management's sensitivity analysis over the key assumptions used in the model; and • checking the mathematical accuracy of the model and reconciliation of input data to supporting evidence such as approved budgets and considering the reasonableness of the budget.

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 2021 but does not include the financial report and the auditor's report thereon.

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

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Lycopodium Limited, for the year ended 30 June 2021, 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.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 24 August 2021

JAMES KOMNINOS
Partner

Aqueous Ammonia Dilution System, New South Wales

Shareholder Information

The shareholder information set out below was applicable as at 6 August 2020.

A. Distribution of Equity Securities

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

Holding	Total Holders
1 - 1000	583
1,001 - 5,000	576
5,001 - 10,000	189
10,001 - 100,000	192
100,001 and over	29
	1,569

There were 116 holders of less than a marketable parcel of ordinary shares.

B. Equity Security Holders

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

	Ordinary shares	
Name	Number held	Percentage of Units
1 REESH PTY LTD	9,046,221	22.76
2 LUALA PTY LTD	3,142,332	7.91
3 BNP PARIBAS NOMS PTY LTD	3,068,241	7.72
4 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,738,074	6.89
5 UBS NOMINEES PTY LTD (THORNEY INVESTMENT GROUP)	2,732,800	6.88
6 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,253,936	5.67
7 CADDY FOX PTY LTD	1,054,215	2.65
8 ACCEDE PTY LTD	992,332	2.50
9 CITICORP NOMINEES PTY LIMITED	833,514	2.10
10 NATIONAL NOMINEES LIMITED	700,172	1.76
11 MONADELPHOUS GROUP LIMITED	603,511	1.52
12 BNP PARIBAS NOMINEES PTY LTD	434,390	1.09
13 MR DAVID JAMES TAYLOR	426,272	1.07
14 MR PETER DE LEO & MRS TIANA DE LEO	423,877	1.07
15 DE LEO NOMINEES PTY LTD	331,994	0.84
16 SELSO PTY LTD	266,148	0.67
17 BNP PARIBAS NOMINEES PTY LTD	216,069	0.54
18 DE LEO NOMINEES PTY LTD	207,900	0.52
19 BOTECH PTY LTD	203,365	0.51
20 NANCRIS PTY LTD	175,000	0.44
	29,850,363	75.11

C. Substantial Holders

Substantial holders in the Company are set out below:

Name	Number held	Percentage of Units
1 REESH PTY LTD	9,046,221	22.76
2 LUALA PTY LTD	3,142,332	7.91
3 BNP PARIBAS NOMS PTY LTD	3,068,241	7.72
4 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,738,074	6.89
5 UBS NOMINEES PTY LTD (THORNEY INVESTMENT GROUP)	2,732,800	6.88

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.

Pacific National Rail Infrastructure Management Services, New South Wales

Corporate Directory

Board of Directors
Michael John Caratti
Non-Executive Chairman

Peter De Leo
Managing Director

Rodney Lloyd Leonard
Non-Executive Director

Robert Joseph Osmetti
Non-Executive Director

Bruno Ruggiero
Executive Director

Karl Anthony Cicanese
(Appointed 23 November 2020)
Executive Director

Lawrence William Marshall
Non-Executive, Independent Director

Steven John Micheil Chadwick
Non-Executive, Independent Director

Audit Committee
Peter De Leo
Rodney Leonard
Lawrence Marshall

Remuneration Committee
Michael Caratti
Lawrence Marshall
Steven Chadwick

Risk Committee
Peter De Leo
Rodney Leonard
Bruno Ruggiero
Lawrence Marshall

Company Secretary
Justine Campbell

Registered and Principal Office
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Share Registry
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+61 8 9323 2000

Lawyers to the Company
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Perth, Western Australia 6000
+61 8 9321 4000

Auditors
RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth, Western Australia 6000
+61 8 9261 9100

Principal Banker
Australia and New Zealand Bank
Level 10, 77 St Georges Terrace
Perth, Western Australia 6000

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