EVZ Limited

Annual Financial Report

For the year ended 30 June 2023

Chairman's report

Dear Shareholder,

The board and senior management of EVZ are focussed singly on strategically improving your company and its value though increasing the scale of the business augmented through skill upgrades, growth in our selected market sectors and complementary business acquisitions. All our strategic initiatives and operating improvements will drive higher contribution margins from demonstrably increased and maintainable revenue. Our key aim is a more robust group that functions synergistically across all its businesses, provides value for its customers and value growth for its shareholders.

During the 2023 financial year EVZ delivered significant revenue growth and an improved operating profit against the backdrop of an economy with high inflation and record low unemployment. The net profit for the Group for the year after income tax expense was $1,446,276. Our senior management are focused on improving contribution margins to be best in class for our industry a journey that has commenced but is yet to reach our internal targets.
The group continues to secure new contract appointments to maintain our momentum and continues to build a diversified portfolio across all our industry sectors and geographies. As a result, the financial structure of the group has been further strengthened and it is looking forward to delivering an improved profit performance across its core markets in the 2024 financial year and beyond.

The Directors provide the following comments for the financial year:

- Revenue growth of 65% to $111M with all businesses significantly growing year on year.
- Net profit after tax improved by 62% to $1.45M due to improved operational profits in Syfon Systems and TSF Power. Profits expectations from Brockman Engineering were not met due to the impacts of input cost inflation and labour resourcing shortages.
- Borrowings were paid down to nil during the first quarter of FY2023.
- The Group was able to continue to invest in the new construction equipment and consolidate its core skills base in preparation for delivery of improved profits during FY2024, particularly at Brockman.

I am pleased to comment on the years activities across our businesses.

Brockman Engineering significantly increased its revenue but did not extract the expected operating profit due to but the impacts of input cost inflation and severe labour resourcing shortages. Brockman remains a lead player in petrochemical and water tank construction, recurrent maintenance, and piping fabrication sector. Brockman is expecting to stabilise its revenue in the 2024 financial year as it focuses on improved profits across its projects. Brockman is also well positioned to use its competitive advantages of location, skills base, and relationship with major industry companies to secure additional large contract wins during the upcoming financial year.

Syfon Systems has maintained its position as the leading syphonic roof stormwater drainage company in Australia and Southeast Asia. The FY2023 year saw a significant increase in water segment revenues and profits. In addition, the Syfon group has continued to grow its backlog of contracted work which will enable it to further grow revenues during FY2024. Syfon remains committed to expanding in other key ASEAN markets to continue its progressive geographic expansion strategy.

Tank Industries posted a profit in its first partial year of operation within the EVZ Group since being acquired in January 2023. The business has benefitted significantly from the input of strong senior management, systems, and culture from the Syfon Systems business with which it shares a similar client base. It will be exciting to see what a full year of operations will deliver for this new business.

TSF Power continues to grow its capability through a focus on technical excellence, industry knowledge and available skilled staff to serve its identified markets of renewable gas power generation, and standby power generation. The 2023 financial year produced a significant improvement in revenues and profit and TSF Power is well placed to further grow in revenue and profitability further in the 2024 financial year.

The group is currently transitioning to operate as a market sector focused business bringing our teams at Syfon Systems Australia, Syfon Systems Asia and Tank Industries together to form the Building Products division. Similarly, Brockman Engineering & TSF Power are working more closely together to pursue the Energy & Resources sector in Australia and New Zealand. We plan to expand our reach into these market sectors through organic growth and selected complimentary acquisitions as they are identified.

The senior management team have, as always, worked tirelessly to uphold the Group's service ethic, its culture of collaboration and innovation, and to support and grow their teams.

Sincerely

Graham Burns
Chairman

Contents

Corporate directory

Directors	G Burns R Edgley I Luck	(Non-Executive Chairman) (Non-Executive Director) (Non-Executive Director)
Chief Executive Officer	S Farthing	
Chief Financial Officer & Company Secretary	P van der Wal	
Registered & principal office	EVZ Limited (ACN: 010 550 357) 115 | 838 Collins Street Melbourne Vic 3008 Telephone: (03) 9545 5288 Email: pieter.vanderwal@evz.com.au	
Share registry	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford Vic 3067 Telephone: 1300 137 328 Facsimile: 1300 137 341	
Auditors	Grant Thornton Collins Square, Tower 5 727 Collins Street Melbourne Vic 3008	
Bankers	Commonwealth Bank of Australia	
Stock exchange listing	Australian Securities Exchange Limited (Home exchange – Melbourne) ASX Code: EVZ	

Directors' report

The Directors present their report on the financial statements of the Company and consolidated entity for the year ended 30 June 2023. To comply with the provisions of the Corporations Act, the Directors report as follows:

Directors

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

Graham Burns
Robert Edgley
Ian Luck

Information on directors

Details of the Directors of the Company in office at the date of this report are:

Graham Burns

Appointed 1 February 2008 – Non-Executive Chairman.
Mr Burns was appointed Chairman on 5 July 2016.
Mr Burns, age 68, has extensive managerial skills and experience in the property, retail and manufacturing sectors. He is currently the Chief Executive of Hunter Land which is a significant industrial developer in regional New South Wales.

Mr Burns holds a Master of Business Administration in Technology from the Australian Graduate School of Management and is a Fellow of the Institute of Australian Company Directors. He is a member of the Remuneration, Audit and Nomination Committees.

Interest in EVZ Limited Shares:	11,282,149 ordinary shares
Other current directorships:	None
Previous directorships (last 3 years):	None

Robert Edgley

Appointed 26 August 2011 – Non-Executive Director.
Mr Edgley, age 58, has significant experience and skills in strategic planning, performance management and marketing and has proven abilities in building businesses. His career has been predominantly focused in international finance and investment banking in Australia, the UK and throughout Asia.

Mr Edgley holds a bachelor's degree in economics from Monash University together with a second degree in Japanese language.

Mr Edgley is Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees.

Interest in EVZ Limited Shares:	300,000 ordinary shares.
Other current directorships:	Way 2 VAT Ltd (ASX code: W2V) (Appointed 15 September 2022
Previous directorships (last 3 years):	None

Directors' report (continued)

Information on directors (continued)

Ian Luck

Appointed 3 July 2017– Non-Executive Director.
Mr Luck, age 71, has significant experience in the engineering and construction sector with 40 years' experience in business leadership in Australia. His career features a balanced blend of complex business leadership, strategy and governance roles that focus on creating high performing teams to deliver outstanding growth and profitability. He currently is a Non-Executive Director of McConnell Dowell, which is an Australian based construction company, operating in Australia, New Zealand and Southeast Asia. McConnell Dowell is a fully owned subsidiary of Aveng Limited, which is listed on the Johannesburg Stock Exchange in South Africa. Previously he has been the Managing Director of Baulderstone and a key manager in Leighton Contractors.

Mr Luck has a B Tech. Civil Engineering, is a Fellow of the Institute of Engineers Australia and is a CPEng (Ret).

Mr Luck is a member of the Audit Committee and Nomination Committee and Chairman of the Remuneration Committee.

Interest in EVZ Limited Shares:	825,000 ordinary shares
Other current directorships:	McConnell Dowell Corporation Limited
Previous directorships (last 3 years):	None

Directors' Meetings

The following table sets out the number of Directors' Meetings (including meetings of any committee of Directors) held during the financial year and the number of meetings attended by each Director (whilst they were a Director or Committee member):

Directors' Meetings
Total number of meetings held: 14

	No. Attended	***No. Held Whilst a Director***
G Burns	14	14
R Edgley	14	14
I Luck	14	14

Remuneration Committee Meetings
Total number of meetings held: 1

	No. Attended	***No. Held Whilst a Member***
G Burns	1	1
R Edgley	1	1
I Luck	1	1

Directors' report (continued)

Audit committee meetings
Total number of meetings held: 4

	No. Attended	*No. Held Whilst a Member*
R Edgley – Chairman	4	4
I Luck	4	4
G Burns	4	4

There were no meetings of the Nomination Committee held during the year.

Company secretary
The Company Secretary is Pieter van der Wal. He was appointed 4 September 2017. Mr van der Wal has a Bachelor of Business and is a Chartered Accountant with company secretarial experience.

Principal activities
The Group operates in the engineering and energy services sectors and its principal activities are:
- Design, manufacture, service and maintenance of both large welded steel tanks and smaller bolted steel plate tanks for use in the water, petrochemical and chemical industries.
- Design, construction, on-site installation, maintenance and shutdown engineering services to the mining, wood chip, petrochemical, aluminium, glass, cement, defence and agriculture industries.
- Design and installation of syphonic roof drainage systems to major buildings including airports, shopping centres and sporting venues throughout Australia and South East Asia.
- Design, installation and maintenance of clean energy solutions, base and back-up power generation equipment, communications equipment, marine installations and provision of mobile generation capabilities.

Operating results
The net profit for the Group for the year after income tax expense was $1,446,276.

The Directors provide the following comments for the financial year:

- Revenue growth of 65% to $111M with all businesses significantly growing year on year.
- Net profit after tax improved by 62% to $1.45M due to improved operational profits in Syfon Systems and TSF Power. Profits expectations from Brockman Engineering were not met due to the impacts of input cost inflation and labour resourcing shortages.
- Borrowings were paid down to nil during the first quarter of FY2023.
- The Group was able to continue to invest in the new construction equipment and consolidate its core skills base in preparation for delivery of improved profits during FY2024, particularly at Brockman.

Please also refer to the Chairmans letter for more detail on the operating results.

Dividends
No dividends were declared or paid during the year.

Directors' report (continued)

Changes in state of affairs
There was no change in the state of affairs.

Subsequent events
There have not been any matters or circumstances, than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years after the financial year.

Future developments and outlook
The Group will continue its focus on investing in growth across all its businesses and looking for opportunities to acquire businesses that fast track the growth of the Company.

Proceedings on behalf of the company
No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

Environmental regulation
The Group is not subject to any significant environmental regulations under a Commonwealth, State or Territory Law.

Insurance of officers
During the financial year the Company insured the Directors and Officers of the Company against legal costs that may be brought against the Directors and Officers in their capacity as Officers of the Company. The policy provides for confidentiality with respect to its premium.

Non-audit services
During the current year there was $Nil (2022: $Nil) of non-audit services provided by the Company's auditors.

Auditors' independence declaration
As required under Section 307C of the Corporations Act 2001, EVZ Limited has obtained an Independence Declaration from its auditors, Grant Thornton. This is included on page 26 of this financial report.

Directors' report (continued)

Remuneration report (audited)

This report details the nature and amount of remuneration for Key Management Personnel.

Key Management Personnel are the non-executive directors and employees who have authority and responsibility for planning, directing and controlling the activities of the Company.

Remuneration policy:
The remuneration policy of the Company has been designed to align Director and Executive remuneration with shareholder and business objectives by providing a fixed remuneration component and where appropriate offering specific short and long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Directors and Executives to govern and manage the Group, as well as to create goal congruence between Directors, Executives and Shareholders.

Executive remuneration:
The Board's policy for determining the nature and amount of remuneration for key senior Executives for the Group is as follows:

- The remuneration policy, setting the terms and conditions for Executive officers, was developed by the Remuneration Committee and approved by the Board after seeking professional advice where appropriate from independent external consultants.
- All Executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and where appropriate performance incentives.

The Remuneration Committee reviews Executive remuneration packages annually with reference to the Group's performance, each Executive's performance and comparable information from industry sectors and listed companies in similar industries. The performance of each Executive is measured against criteria agreed and is predominantly measured by comparing actual growth against forecast growth of the Group's profits and shareholders' value. Bonuses and incentives will be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives receive a superannuation guarantee contribution as required by the Government and do not receive any other retirement benefits. Individuals may choose to sacrifice part of their salary to increase payments towards superannuation. All remuneration paid to Executives is valued at the cost to the Company and expensed.

Performance based remuneration:
During the year to 30 June 2023, performance-based remuneration of $281,705 was paid to key management relating to the 2022 financial year performance. This amount had been accrued in the prior year. An amount of $213,407 has been accrued and is payable relating to the 2023 financial year performance.

Short term incentives (STI):
The Remuneration Committee set certain key performance indicators for the key Executives in the Group to determine eligibility for STI payments. The key performance indicators are quantitative measures based on business profitability and improvement in forward work in hand. Both measures are considered to be drivers of shareholder value.

STI's payable in relation to the 2023 year are $213,407 (2022: $281,705).

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Directors' report (continued)

Remuneration report (continued)

Long term incentives (LTI):
LTI's, also linked to key performance indicators for the key Executives in the Group, were issued under the Company's' Directors' and Employees' Benefits Plan.

The Key Performance Indicators ("KPIs") used to measure performance for these incentives are group profit growth, earnings per share growth and cashflow. These KPIs are measured over a three-year performance period and were chosen because they are aligned to shareholder wealth creation. For each component of the LTI against a KPI no award is made where performance falls below the minimum threshold for that KPI

Shareholders had previously approved the EVZ Directors' and Employees' Benefits Plan (the "Plan") which allows employees, Directors and others ("Eligible Persons") to be granted shares, options and performance rights in the Company. The object of this Plan is to help the Company recruit, reward, retain and motivate its employees and Directors.

Such shares, options and performance rights would be offered only to those Eligible Persons entitled to receive an invitation. Those Eligible Persons would be:

- a Director, or Secretary of a Group Company;
- an employee in permanent full-time or permanent part-time employment of a Group Company; or
- a contractor to a Group Company who is selected by the Board to participate in the Plan.

There are no share options issued at 30 June 2023 (2022: Nil).

No LTI's have been granted to Directors.

Invitations to Eligible Persons will be made by the Board and may be made subject to such conditions and rules as the Board determines, including:

- In the case of Options, the exercise period, the exercise price and the exercise conditions.
- In the case of Shares, the issue price payable on acceptance of the application by the Company and issue of the shares and any other specific terms and conditions of issue.
- In the case of Performance Rights, the performance criteria and the performance period in which those performance criteria must be satisfied.

The issue of any securities (including options or performance rights) issued to any Director or their associates will still require shareholder approval under ASX Listing Rule 10.14.

The maximum number of shares issued pursuant to the Plan would be not more than 5% of the equity interests in the Company.

Director remuneration:
The Board's policy is to remunerate Non-Executive Directors at appropriate market rates. The Remuneration Committee recommends the fee structure for Non-Executive Directors which will be determined by reference to market practice, duties performed, time, commitment and accountability. Director fees are reviewed annually by the Remuneration Committee.

Remuneration report (continued)

The Remuneration Committee may seek independent advice in determining appropriate fee structures for Directors.

The maximum aggregate amount of fees payable to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may be able to participate in any employee share/option plan introduced.

All remuneration paid to Directors is valued at the cost to the Company and expensed.

Company performance, shareholder wealth and directors' and executives' remuneration:
The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and Executives.

In considering the impact of the Group's performance on shareholder wealth and the related rewards earned by executives, the Remuneration Committee had regard to the following measures over the years below:

	2023	2022	2021	2020	2019
	$	$	$	$	$
Profit/(loss) after tax	1,446,276	894,680	3,403,148	(2,751,440)	1,624,975
Earnings per share (basic)	1.201	0.888	3.541	(2.863)	1.735
Change in share price	(26.3%)	18.8%	128.6%	(61.1%)	(41.9%)
Net assets	30,444,015	29,067,293	24,446,853	21,205,223	23,987,934

Details of remuneration for the year ended 30 June:
The remuneration, paid or payable, for each Director and each of Key Management Personnel of the Group during the year was as follows:

Directors	Short-term employee benefits		Post-employment benefits		
	Salary	Fees	Superannuation Contributions	Other	Total
2023	$	$	$		$
G Burns	-	90,333	-	-	90,333
R Edgley	-	56,333	-	-	56,333
I Luck	-	56,333	-	-	56,333
	-	**203,000**	**-**	**-**	**203,000**
2022					
G Burns	-	80,000	-	-	80,000
R Edgley	-	50,000	-	-	50,000
I Luck	-	50,000	-	-	50,000
	-	**180,000**	**-**	**-**	**180,000**

Directors' report (continued)

Remuneration report (continued)

Key management personnel 2023	Salary	Cash bonus (i)	Non cash benefits	Superannuation Contributions	Termination benefits	Equity setttled share based payments	Total remuneration	Percentage of remuneration related to performance	Cash bonus as a percentage of target outcome
	Short-term benefits			Post-employment benefits		Long-term benefits			
	$	$	$	$			$		
S Farthing *(Chief Executive Officer)*	429,946	35,163	-	25,292	-	68,600	559,001	19%	19%
P van der Wal *(Chief Financial Officer & Secretary)*	267,359	29,063	-	25,113	-	30,320	351,855	17%	39%
A Bellgrove *(General Manager, Syfon Systems)*	313,111	85,029	37,271	25,292	-	19,880	480,583	22%	91%
C Bishop *(General Manager, Brockman Eng.)* (Resigned: 15-Feb-2023)	292,787	-	-	25,841	-	-	318,628	0%	0%
J Hughes *(General Manager, TSF Power)*	232,686	64,152	-	26,729	-	-	323,567	20%	105%
M Redmond *(General Manager, Brockman Eng.)* *(Appointed 15-Feb-2023)*	118,038	-	-	9,241	-	-	127,279	0%	0%
	1,653,927	**213,407**	**37,271**	**137,508**	**-**	**118,800**	**2,160,913**	**15%**	**43%**

Key management personnel 2022	Salary	Cash bonus (i)	Non cash benefits	Superannuation Contributions	Termination benefits	Equity setttled share based payments	Total remuneration	Percentage of remuneration related to performance	Cash bonus as a percentage of target outcome
	Short-term benefits			Post-employment benefits		Long-term benefits			
	$		$	$			$		
S Farthing *(Chief Executive Officer)*	408,280	114,369	-	23,568	-	38,000	584,217	26%	66%
P van der Wal *(Chief Financial Officer & Secretary)*	230,934	37,715	-	23,093	-	31,920	323,662	22%	74%
A Bellgrove *(General Manager, Syfon Systems)*	295,267	47,203	31,617	23,568	-	9,120	406,775	14%	67%
C Bishop *(General Manager, Brockman Eng.)*	289,385	37,994	-	24,324	-	11,400	363,103	14%	61%
J Hughes *(General Manager, TSF Power)*	216,699	44,424	-	25,493	-	-	286,616	15%	100%
	1,440,565	**281,705**	**31,617**	**120,046**	**-**	**90,440**	**1,964,373**	**19%**	**70%**

i. The short-term and long-term incentives are determined based on the measures and results of a balanced scorecard analysis for each of key managements contribution to the business during the financial year. The measures are determined by the Board and all incentive awards are at the discretion of the Board.

Directors' report (continued)

Remuneration report (continued)

Remuneration and other terms of employment for key Executives are formalised in employment service agreements. Each of these agreements may provide for the provision of other benefits including car allowances. These agreements have no fixed term. There are no other standard termination provisions excluding notice periods. Notice periods are generally between three and six months.

Additional disclosures relating to key management personnel:

Shareholdings:
The number of ordinary shares held by key management personnel of the Group during the financial year is as below:

2023	Balance at beginning of year	Received as part of remuneration	Purchased or (Sold)	Balance at end of year
G Burns	9,989,894	-	1,292,255	11,282,149
R Edgley	1,236,396	-	(936,396)	300,000
I Luck	825,000	-	-	825,000
S Farthing	1,816,840	200,000	-	2,016,840
P van der Wal	200,000	168,000	-	368,000
C Bishop	-	60,000	-	60,000
A Bellgrove	1,369,171	48,000	-	1,417,171
	15,437,301	**476,000**	**355,859**	**16,269,160**

2022	Balance at beginning of year	Received as part of remuneration	Purchased or (Sold)	Balance at end of year
G Burns	9,489,894	-	500,000	9,989,894
R Edgley	2,295,715	-	(1,059,319)	1,236,396
I Luck	625,000	-	200,000	825,000
S Farthing	1,616,840	-	200,000	1,816,840
P van der Wal	100,000	-	100,000	200,000
A Bellgrove	1,369,171	-	-	1,369,171
	15,496,620	**-**	**(59,319)**	**15,437,301**

Directors’ report (continued)

Remuneration report (continued)

Performance rights:
The following table summarises the number of performance rights granted, exercised, lapsed/ forfeited and exercised during the financial year to key management personnel as part of their remuneration:

Performance rights 2023	Opening balance	Granted as remuneration	Exercised	Lapsed / Forfeited	Closing balance	Vested & Exercisable
	Number	Number	Number	Number	Number	Number
S Farthing	2,200,000	1,000,000	(200,000)	(710,000)	2,290,000	290,000
P van der Wal	968,000	400,000	(168,000)	(252,000)	948,000	148,000
A Bellgrove	848,000	400,000	(48,000)	(368,000)	832,000	32,000
C Bishop	860,000	400,000	(60,000)	(1,200,000)	-	-
	4,876,000	**2,200,000**	**(476,000)**	**(2,530,000)**	**4,070,000**	**470,000**
	-					

Performance rights 2022	Opening balance	Granted as remuneration	Exercised	Lapsed / Forfeited	Closing balance	Vested & Exercisable
	Number	Number	Number	Number	Number	Number
S Farthing	2,000,000	1,000,000	-	(800,000)	2,200,000	200,000
P van der Wal	800,000	400,000	-	(232,000)	968,000	168,000
A Bellgrove	800,000	400,000	-	(352,000)	848,000	48,000
C Bishop	800,000	400,000	-	(340,000)	860,000	60,000
	4,400,000	**2,200,000**	**-**	**(1,724,000)**	**4,876,000**	**476,000**

Performance rights which have been granted expire at the end of the 3 year financial period to which they relate if the service period and targeted performance objectives are not met. The company plans to allot the vested performance rights within 90 days of the date of this report.

Performance rights granted as remuneration in FY2023:
During the period performance rights over ordinary shares in the company were granted as remuneration to KMP. These performance rights will vest subject to the meeting of performance criteria as detailed above. Details on performance rights that were granted during the period are as follows:

Executive	Instrument	Grant Date	Vesting Date	Number of rights	Exercise Price	Fair Value at grant date *	Expiry Date	% Vested
S Farthing	FY2023 Rights	12-Aug-22	30-Jun-25	1,000,000	-	$ 0.19	12-Aug-25	-
S Farthing	FY2022 Rights	01-Aug-21	30-Jun-24	1,000,000	-	$ 0.16	01-Aug-24	-
S Farthing	FY2021 Rights	30-Sep-20	30-Jun-23	1,000,000	-	$ 0.14	30-Sep-23	29%
P van der Wal	FY2023 Rights	12-Aug-22	30-Jun-25	400,000	-	$ 0.19	12-Aug-25	-
P van der Wal	FY2022 Rights	01-Aug-21	30-Jun-24	400,000	-	$ 0.16	01-Aug-24	-
P van der Wal	FY2021 Rights	30-Sep-20	30-Jun-23	400,000	-	$ 0.14	30-Sep-23	37%
A Bellgrove	FY2023 Rights	12-Aug-22	30-Jun-25	400,000	-	$ 0.19	12-Aug-25	-
A Bellgrove	FY2022 Rights	01-Aug-21	30-Jun-24	400,000	-	$ 0.16	01-Aug-24	-
A Bellgrove	FY2021 Rights	30-Sep-20	30-Jun-23	400,000	-	$ 0.14	30-Sep-23	8%
				5,400,000				

* Fair value is determined based on the Company’s ASX traded share price on grant date.

Directors' report (continued)

Remuneration report (continued)

This concludes the remuneration report, which has been audited.

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

Director – Graham Burns

Signed at Melbourne this 28th day of August 2023.

Corporate governance statement
For the year ended 30 June 2023

Introduction
The Board of the Company is committed to protecting shareholders' interests and ensuring investors are fully informed about the performance of the Company's business. The Directors have undertaken to perform their duties with honesty, integrity, care and diligence, according to the law and in a manner that reflects the highest standards of corporate governance.

The policies and practices of the Company are in accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 4th Edition".

Unless otherwise indicated, the best practice principles of the ASX Corporate Governance Council and suggested disclosures, have been adopted by the Company for the year ended 30 June 2023 as relevant to the size and complexity of the Company and its operations.

The Corporate Governance Statement is current at the date of approval of the annual report and has been approved by the Board of Directors.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1: Board charter and the respective roles and responsibilities of the Board and management.

The Board charter sets out the function and responsibilities of the Board. The Directors of the Company are accountable to shareholders for the proper management of business and affairs of the Company.

The key Board functions and responsibilities include:
- demonstrating leadership;
- defining the Company's purpose and setting its strategic objectives, including general and specific goals and reviewing actual results against those objectives, which are aimed at meeting stakeholders' objectives and managing business risk;
- overseeing management in its implementation of the Company's strategic objectives, instilling the Company's values and monitoring performance generally;
- establishing and maintaining policies directed to ensuring that the Company complies with the law and conforms to the highest standards of financial and ethical behaviour;
- ensuring that appropriate risk management systems, internal control and reporting systems and compliance frameworks are in place and are operating effectively;
- assessing the necessary and desirable competencies of Board members, review Board succession plans, evaluate its own performance and consider the appointment and removal of Directors;
- considering executive remuneration and incentive policies, the Company's recruitment, retention and termination policies and procedures for senior management and the remuneration framework for non-executive directors;
- monitoring financial performance;
- approving decisions concerning the capital, including capital restructures, and dividend policy of the Company; and
- monitoring the effectiveness of the Company's governance practices.

The Board delegates responsibility for day-to-day management of the Company to the Chief Executive Officer (CEO), subject to certain financial limits. The CEO must consult the Board on matters that are sensitive, extraordinary, of a strategic nature or matters outside the permitted financial limits.

Corporate governance statement (continued)
For the year ended 30 June 2023

Recommendation 1.2: Director and senior management appointments
Non-Executive Directors appointed during the year hold office until the next annual general meeting, where they must stand for re-election. Each year one third of the Board of Directors (excluding the Managing Director) must retire and if they wish seek re-election at the annual general meeting. Board support for a Director's re-election is not automatic and is subject to satisfactory Director performance.

Appropriate background checks are undertaken before a Director is nominated. At the annual general meeting shareholders are provided with all material information concerning the Director seeking election or re-election.

Recommendation 1.3: Terms of appointment
The Company has written agreements with all senior executives setting out the terms of their appointment. Written agreements have now been implemented for all new director appointments. The duties of the Directors as detailed above were provided to all directors.

Recommendation 1.4: Company secretary
The appointment and removal of the Company Secretary is a decision of the Board. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters relating to the proper functioning of the Board and is responsible for ensuring compliance with Board procedures and governance matters. All Directors have direct access to the Company Secretary.

Recommendation 1.5: Diversity policy
The Group's ultimate success is under-pinned by its employees. To maximise success, the Group encourages a diverse population of employees within its operations.

Diversity is defined to include race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, skill levels, family status, religious, political and other beliefs and work styles. The Group recognises that differences in ideas, backgrounds, patterns of thinking and approaches to work can generate value for the Group's stakeholders: its customers, shareholders, personnel and the communities in which it operates. It is the Group's policy to promote these differences within a productive, inclusive and performance-based environment in which everybody feels valued, where their skills are fully utilised, their performance is recognised, professional accountability is expected and organisational goals are met.

The Group's approach to diversity is based on the following objectives:
- retain, promote and hire the best people possible, focusing on actual and potential contribution in terms of performance, competence, collaboration and professional accountability;
- foster an inclusive culture and ensure that current and future employee opportunities are based on competence and performance, irrespective of race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, family status, religious, political and other beliefs and work styles. This includes being intolerant of behaviour that denigrates or otherwise diminishes such attributes or that discriminates on the basis of such attributes;
- create and manage appropriate human resource processes which take a unified and talent-based approach to recruitment, training and development, performance management, retention and succession planning;
- provide a fair level of reward in order to attract and retain high calibre people – and build a culture of achievement by providing a transparent link between reward and performance; and
- be compliant with all mandatory diversity reporting requirements.

Corporate governance statement (continued)
For the year ended 30 June 2023

The Group's measurable objective and current gender profile:
The Group's measurable objective for increasing gender diversity is to increase the representation of women at all levels of its organisation over time. The Group's progress towards achieving that objective, along with the proportion of women employees within the Group, women in senior Executive positions and women non-executive directors, is set out in the table below:

	2023		2022	
Measure	**No.**	**%**	**No.**	**%**
Women employees	24	6.3	23	6.0
Women senior executives *	-	-	-	-
Women non-executive directors	-	-	-	-

* This includes both employees and specific contractors engaged by the Group.

Recommendation 1.6: Board and committee performance
The Board and its committees undertook self-assessment in accordance with their relevant charters during the financial year. The Chairman conducts annual one-on-one personal performance discussions with each of the individual Directors.

The Board was provided with all company information it needed in order to effectively discharge its responsibilities and were entitled to, and did, request additional information when considered necessary or desirable.

Recommendation 1.7: Senior executive performance
Reviews of the performance of Senior Executives are undertaken annually against established key performance indicators. At the same time goals and targets for the coming year are discussed and implemented. The annual evaluation of the CEO's performance is a specific function of the Remuneration Committee.

Principle 2: Structure the board to be effective and add value

Recommendation 2.1: Nomination committee
The Company has a duly appointed nomination committee. The committee operates pursuant to a nomination committee charter. The charter sets out the responsibilities of the committee including reviewing Board succession plans to ensure an appropriate balance of skills and expertise, developing policies and procedures for the appointments of Directors and identifying Directors with appropriate qualifications to fill Board committee vacancies. The term of Non-Executive Directorships is set out in the Company's constitution.

Given the size of the Board, the Board has determined it appropriate for the nomination committee to consist of the full Board of Directors.

Recommendation 2.2 and 2.3: Board composition
The Company's Board is comprised of Non-Executive Directors.

Corporate governance statement (continued)
For the year ended 30 June 2023

Details of Directors and skills are detailed in the following tables:

Director	Term in office	Qualifications	Status
Graham Burns	Appointed 1 February 2008	MBA (Tech), FAICD	Independent
Robert Edgley	Appointed 26 August 2011	B Ec	Independent
Ian Luck	Appointed 3 July 2017	B Tech. Civil Engineering, FIE Australia, CPEng (Ret).	Independent

Areas of competence and skills of the board of directors are as follows:

Area	Competence and skills
Leadership	Business leadership
	Public listed company experience
Business & Finance	Accounting expertise
	Business strategy
	Corporate turnarounds
	Corporate financing
	Mergers and acquisitions
	Risk management
	Commercial agreements
Sustainability and Stakeholder management	Corporate governance
	Remuneration
Market and Industry	Financial services expertise
International	Geographical experience
	International business management

Recommendation 2.4: Director independence

All directors including the chairman, are non-executive and independent directors. Profiles of the directors are set out in this annual report. All directors are subject to retirement by rotation in accordance with the Company's constitution but may stand for re-election by the shareholders. The composition of the board is determined by the board and, where appropriate, external advice is sought. The board has adopted the following principles and guidelines in determining the composition of the board:

To be independent, a director ought to be non-executive and:
- not a current executive of the Company;
- ideally not held an executive position in the Company in the previous three years;
- not a nominee or associate of a shareholder holding more than 10% of the Company's shares;
- not significantly involved in the value chain of the organisation, either upstream or downstream; and
- not a current advisor to the Company receiving fees or some other benefit, except for approved director's fees.

Directors are encouraged to be long term shareholders in the Company. Directors shareholdings are disclosed in the annual report. Any change in directors' shareholdings are disclosed in accordance with ASX Listing Rules. The Company's policies allow directors to seek independent advice at the Company's expense.

Recommendation 2.5: Independence of chairman
The chairman, Graham Burns, is an independent director. He is responsible for the leadership of the board and he has no other positions that hinder the effective performance of this role. The role of chairman is independent to the role of CEO, which is held by Scott Farthing. There is a clear division of responsibility between these roles.

Recommendation 2.6: Induction and training
Any new director will receive a letter of appointment. Directors are provided access to the Company's policies including the board's charter. At board meetings directors receive regular updates and also undertake site visits, attend customer and financier meetings as required. These assist directors to keep abreast of relevant market and industry developments.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1: Articulation and disclosure of values
The Company has formulated core values which all directors, senior executives and employees are expected, at a minimum, to follow. The core values are included in the corporate governance section of the Company's website.

Recommendation 3.2: Code of conduct
The Company has developed a code of conduct to guide all of the Company's employees, particularly directors, the CEO, the CFO and other senior executives, in respect of ethical behaviour. A copy of the code is available on its website.
These codes are designed to maintain confidence in the Company's integrity and the responsibility and accountability of all individuals within the Company for reporting unlawful and unethical practices.

These codes of conduct embrace such areas as:
- conflicts of interest
- corporate opportunities
- confidentiality
- fair dealing and trade practices
- protection of assets
- compliance with laws, regulations and industry codes
- security trading
- commitment to and recognition of the legitimate interests of stakeholders

Recommendation 3.3: Whistleblower policy
The Company has a Whistleblower protection policy in place (Whistleblower Policy), a copy of which is available on its website.

The Whistleblower Policy Encourages all employees to speak out if they have concerns about unethical, unlawful, or irresponsible behaviour within the Company. The Company has established an external helpline to assist reporting, which can be done online and anonymously if preferred. The CEO and CFO are informed of all incidents reported under the Whistleblower policy. The CEO and CFO will inform the board of any material incidents reported under the Whistleblower policy.

Recommendation 3.4: Anti-bribery and corruption policy
The Company has established an anti-bribery and corruption policy which is disclosed on the Company's website. This policy is a particular focus for the Board, as the company operates across multiple divisions and has exposure to foreign markets and cultures outside of Australia. It is a requirement of the policy that the board of directors be informed of any material breaches of the policy.

Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1: Audit committee
The Board-appointed audit committee operates in accordance with the audit committee charter. The details of the committee meetings held during the year and attendance at those meetings are detailed in the directors' meeting schedule in the directors' report.

The audit committee consists of:
- Robert Edgley - Chairperson
- Ian Luck
- Graham Burns

Each of the members of the committee is an independent, Non-Executive Director and the Chairman of the committee is not the Chairman of the Board. The CEO and the CFO/Company Secretary may attend the meetings at the invitation of the committee. All members of the committee are financially literate (i.e. they are able to read and understand financial statements) and have an understanding of the industry in which the Company operates.

The audit committee provides an independent review of:
- financial information produced by the Company;
- the accounting policies adopted by the Company;
- the effectiveness of the accounting and internal control systems and management reporting which are designed to safeguard company assets;
- the quality of the external audit functions;
- external auditor's performance and independence as well as considering such matters as replacing the external auditor where and when necessary; and
- identifying risk areas.

Recommendation 4.2: CEO and CFO assurance
The CEO and CFO have provided to the Board formal declarations that the integrity of the financial statements is founded on a system of risk management and internal control which supports the policies adopted by the Board and that the Company's risk management and internal control system is operating effectively in all material respects to manage the Company's material business risks.

Recommendation 4.3: Integrity of corporate reports
The Company's periodic corporate reports are subject to comprehensive review and auditing. The process ensures that the Company is satisfied that any reports that are issued by the Company are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1: Continuous disclosure
The board recognises that the Company, as an entity listed on the ASX, has an obligation to make timely and balanced disclosure in accordance with the requirements of the Australian Securities Exchange Listing Rules and the Corporations Act 2001. The board also is of the view that an appropriately informed shareholder base and market is essential to an efficient market for the Company's securities. The board is committed to ensuring that shareholders and the market have timely and balanced disclosure of material matters concerning the Company.

In demonstration of this commitment, the Company has adopted a continuous disclosure policy which can be accessed under the corporate governance section of the Company's website.

Corporate governance statement (continued)
For the year ended 30 June 2023

Recommendation 5.2: Board to receive copies of material market announcements
The Company secretary ensures that the board receives timely copies of all material market announcements made in accordance with the continuous disclosure requirements. The Company's continuous disclosure policy can be accessed under the corporate governance tab of the Company's website.

Recommendation 5.3: Investor / Analyst presentations
As documented in the Company's continuous disclosure policy, when the Company gives a new and material investor or analyst presentation, a copy of the presentation materials are provide to the ASX ahead of the presentation. The Company's continuous disclosure policy can be accessed under the corporate governance tab of the Company's website.

Principle 6: Respect the rights of security holders

Recommendation 6.1: Company website
The Company provides information about itself and its governance procedures to its investors via its website. The corporate governance policies are disclosed on the website through a specific corporate governance tab, as are copies of annual reports, and biographies for directors and key management.

Recommendation 6.2: Investor relations program

Investor updates:
The Company provides regular investor updates via the ASX website to communicate the Company's performance and strategies. These updates typically focus on the Company's financial performance and strategies.

Annual general meeting and annual reports:
The Company's Annual General Meeting enables security holders to engage directly with the board and key management. The CEO and Company Secretary also meet with security holders upon request and respond to any inquiries that may be made from time to time. The Company's annual report and associated investor presentation are released to the ASX and copies are available on the Company's website.

Regular release of financial information:
The Company financial results are announced every 6 months with full year results released via the ASX in August and half year results in February. In between full and half year results, the Company also releases material information on contract wins and other relevant information to the ASX throughout the year as events occur.

Recommendation 6.3: Participation at meetings by security holders
The Company's AGM provides shareholders with the opportunity to vote on resolutions recommended by the board, hear directly from the board and CEO and ask questions of the board.

The Company's AGM is usually held in November. The Chairman and CEO's AGM presentations and voting results are released to the ASX on the day of the meeting.

Recommendation 6.4: Substantive resolutions decided by poll
All substantive resolutions are decided by poll, rather than by a show of hands.

Recommendation 6.5: Electronic communication

The Company provides security holders with the option to receive communications from the entity and its security registry, such as notice of meetings, explanatory memorandums, proxy forms and annual reports electronically. A corporate email address is provided via the Company's website to allow security holders to communicate with the Company. The Company's share registry provider remains Computershare.

Since 2020, the Company has ceased producing hard printed copies of its annual report for environmental reasons. Shareholders who have registered to receive electronic communication from the Company's share register will receive access to an electronic copy of the annual report together with the notice of annual general meeting.

Arrangements for hard copy annual reports can be made by request via the corporate email address on the Company's website.

Principle 7: Recognise and manage risk

Recommendation 7.1: Risk committee

Overall risk management is the responsibility of the Audit Committee and covered within that committee's charter. A copy of the charter is available on the company's website.

The board has overall responsibility to all stakeholders for the identification, assessment, management and monitoring of the risks faced by the Company. The Company currently has informal policies and procedures for risk management and the audit committee seeks to ensure compliance with regulatory requirements. The operational risks are managed at the senior management level and escalated to the board for direction where the issue is exceptional, non-recurring or may impose a material financial or operational burden on the Company. The relatively small size of the Company means that communication and decision-making is predominantly centralised allowing early identification of risks by senior management. It also allows senior management to respond to each risk as appropriate without the need for a written risk management policy. In addition, a monthly risk report is tabled at the board meeting for consideration.

Recommendation 7.2: Risk management framework

Given the relatively small and centralised management team, the nature of the business of the Company and that a majority of independent Directors sit on the audit committee, the Board is continuously kept informed of the effectiveness of the Company's internal control systems. In addition, a monthly risk report is tabled at the Board meeting for consideration.

Recommendation 7.3: Internal audit

The Company does not currently have any internal audit function. The Board considers that given the Company's current size there is no benefit in having an internal audit function. Independent advice will be sought as necessary. The Board has overall responsibility for the identification, assessment, management and monitoring of the risks faced by the Company.

Recommendation 7.4: Environmental and social risks

EVZ Group is committed to operating within a defined Environmental, Social and Governance Framework (ESG) that provides our investors, employees, and all other stakeholders with assurance that the Board and senior management are focused on leading an ethical and sustainable business. EVZ Group is committed to acting ethically and with integrity in all its business dealings and relationships.

Accordingly, EVZ Group has developed an ESG framework outlining the Groups commitment to continuous improvement in response to the ever-evolving business landscape. A copy of the Groups ESG framework can be obtained on its website at the following location:

https://evz.com.au/corporate-governance/

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 and 8.2: Remuneration committee and policies
The Company has a duly appointed remuneration committee. The committee operates pursuant to the remuneration committee charter.

The remuneration committee consists of:
- Ian Luck
- Graham Burns
- Rob Edgley

The Company's approach to remuneration is set out in the Remuneration Report contained within this annual report.

The primary responsibilities of the remuneration committee are:
- Establish appropriate remuneration policies for directors, the CEO and other senior executives which are effective in attracting and/or retaining the best directors and executives to monitor and manage EVZ Limited, whilst ensuring goal congruence between shareholders, directors and executives.
- Ensuring appropriate disclosure of remuneration in line with the Corporations Act, ASX Listing Rules and Corporate Governance guidelines.

Non-executive directors are remunerated by way of fees. They may receive options (subject to shareholder approval) but there is no scheme for retirement benefits, other than statutory superannuation. Executives are paid a salary and may be provided, under the directors' and employees' benefits plan, with shares, performance rights and/or options and bonuses as part of their remuneration and incentive package.

There are no executive directors.

Recommendation 8.3: Equity based remuneration scheme
There is currently in place an EVZ Directors' and Employees' Benefits Plan (the "Plan") which allows employees, directors and others ("Eligible Persons") to be granted shares, options and performance rights in the Company. The object of this plan is to help the Company recruit, reward, retain and motivate its employees and directors.

Such shares, options and performance rights would be offered only to those eligible persons entitled to receive an invitation. Those eligible persons would be:
- a director or secretary of a group company;
- an employee in permanent full-time or permanent part-time employment of a group company; or
- a contractor to a group company.

Invitations to eligible persons will be made by the board and may be made subject to such conditions and rules as the board determines, including:
- In the case of options, the exercise period, the exercise price and the exercise conditions.
- In the case of shares, the issue price payable on acceptance of the application by the Company and issue of the shares and any other specific terms and conditions of issue.
- In the case of performance rights, the performance criteria and the performance period in which those performance criteria must be satisfied.

The issue of any securities (including options or performance rights) issued to any director or their associates will still require shareholder approval under ASX Listing Rule 10.14.

The maximum number of shares issued pursuant to the plan would be not more than 5% of the equity interests in the Company.

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Auditor's Independence Declaration

To the Directors of EVZ Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of EVZ Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 28 August 2023

Consolidated statement of profit or loss
For the year ended 30 June 2023

	Notes	Consolidated entity 2023 $	2022 $
Continuing operations			
Revenue	21	111,200,389	67,506,919
Cost of sales		(96,332,056)	(55,086,994)
Gross profit		14,868,333	12,419,925
Other Income	2(a)	-	40,208
Administration and business development costs		(11,380,875)	(9,367,407)
Corporate costs		(1,871,345)	(1,694,097)
Profit before finance costs and income tax		1,616,113	1,398,629
Net finance costs	2(c)	(190,278)	(393,303)
Profit before income tax from continuing operations		1,425,835	1,005,326
Income tax expense	3	20,441	(110,646)
Profit for the year attributed to members after tax		**1,446,276**	**894,680**

Earnings per share			
		Cents	Cents
Overall operations:			
Basic earnings per share	17	1.20	0.89
Diluted earnings per share	17	1.14	0.83
Continuing operations:			
Basic earnings per share	17	1.20	0.89
Diluted earnings per share	17	1.14	0.83

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

Consolidated statement of comprehensive income
For the year ended 30 June 2023

	Notes	Consolidated entity 2023 $	2022 $
Profit for the year after tax		1,446,276	894,680
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	16(b)	(188,354)	83,174
Total comprehensive income for the year attributable to owners of the company		**1,257,922**	**977,854**

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

Consolidated statement of financial position
As at 30 June 2023

	Notes	Consolidated entity 2023 $	2022 $
Current assets			
Cash and cash equivalents	22	9,268,155	8,933,485
Trade and other receivables	4	20,675,650	18,707,295
Contract assets	5	2,547,698	3,860,275
Inventories	6(a)	3,494,723	2,611,419
Financial assets	6(b)	235,575	230,464
Total current assets		36,221,801	34,342,938
Non-current assets			
Trade and other receivables	4	1,118,241	1,232,301
Property, plant and equipment	7	7,797,129	6,163,937
Deferred tax assets	8	2,729,611	2,610,870
Intangibles	9	12,072,010	12,072,010
Total non-current assets		23,716,991	22,079,118
Total assets		**59,938,792**	**56,422,056**
Current liabilities			
Trade and other payables	10	15,593,821	12,469,256
Contract liabilities	5	6,772,896	8,802,807
Tax liabilities	8	91,470	83,948
Short-term borrowings	11	-	300,000
Short-term lease liabilities	11	1,182,668	947,494
Provisions	13	4,121,392	3,403,856
Total current liabilities		27,762,247	26,007,361
Non-current liabilities			
Long-term lease liabilities	12	1,543,049	1,196,821
Deferred tax liabilities	8	37,330	40,380
Provisions-non current	13	152,151	110,201
Total non-current liabilities		1,732,530	1,347,402
Total liabilities		**29,494,777**	**27,354,763**
Net assets		**30,444,015**	**29,067,293**
Equity			
Issued capital	14	60,099,766	60,009,326
Reserves	16	(201,998)	(42,004)
Accumulated losses	16	(29,453,753)	(30,900,029)
Total equity		**30,444,015**	**29,067,293**

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

Consolidated statement of changes in equity

For the year ended 30 June 2023

Consolidated entity	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Total
As at 30 June 2023	$	$		$	$
Balance at 30 June 2022	**60,009,326**	**(30,900,029)**	**90,440**	**(132,444)**	**29,067,293**
Total comprehensive profit for period					
Profit for period	-	1,446,276	-	-	1,446,276
Foreign currency translation reserve	-	-	-	(188,354)	(188,354)
Total comprehensive income for period	-	1,446,276	-	(188,354)	1,257,922
Transactions with owners, recorded directly in equity:					
Shares issued from vested performance rights	90,440	-	(90,440)	-	-
Share Issue Costs	-	-	-	-	-
Share based payments expense (Note 16)		-	118,800	-	118,800
Balance at 30 June 2023	**60,099,766**	**(29,453,753)**	**118,800**	**(320,798)**	**30,444,015**

Consolidated entity	Issued capital	Accumulated losses	Share options reserve	Foreign currency translation reserve	Total
As at 30 June 2022	$	$		$	$
Balance at 30 June 2021	**56,457,180**	**(31,794,709)**	**-**	**(215,618)**	**24,446,853**
Total comprehensive profit for period					
Profit for period	-	894,680	-	-	894,680
Foreign currency translation reserve	-	-	-	83,174	83,174
Total comprehensive income for period	-	894,680	-	83,174	977,854
Transactions with owners, recorded directly in equity:					
Shares issued	3,724,523	-	-	-	3,724,523
Share Issue costs	(172,377)	-	-	-	(172,377)
Share based payments expense (Note 16)	-	-	90,440	-	90,440
Balance at 30 June 2022	**60,009,326**	**(30,900,029)**	**90,440**	**(132,444)**	**29,067,293**

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 2023

	Notes	Consolidated entity 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		117,877,337	70,173,977
Payments to suppliers and employees (inclusive of GST)		(113,514,300)	(65,346,748)
Interest received		108,120	94
Finance costs		(298,399)	(393,397)
Income tax paid		(93,827)	(145,407)
Net cash provided by operating activities	**22**	**4,078,931**	**4,288,519**
Cash flows from investing activities			
Proceeds from sale of plant and equipment		23,044	-
Purchase of plant and equipment	7	(1,382,809)	(1,325,002)
Consideration paid for business acquisistion	31	(796,463)	-
Net cash used in investing activities		**(2,156,228)**	**(1,325,002)**
Cash flows from financing activities			
Proceeds from equity raising		-	3,724,523
Share issue costs		-	(172,377)
Repayment of loans		(300,000)	(1,200,000)
Repayment of leases		(1,288,033)	(342,039)
Net cash provided by / (used in) financing activities		**(1,588,033)**	**2,010,107**
Net increase/(decrease) in cash held		334,670	4,973,624
Cash at beginning of the period		8,933,485	3,959,861
Cash at end of the period	**22**	**9,268,155**	**8,933,485**

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

Notes to the consolidated financial statements
For the year ended 30 June 2023

1. Summary of significant accounting policies

General information and statement of compliance
This financial report includes the consolidated financial statements and notes of EVZ Limited and controlled entities ('Consolidated Entity' or 'Group').

The consolidated financial statements of the Group have been prepared in accordance with the requirements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation
The Group's financial statements have been prepared on an accrual basis and under the historical cost convention. They assume that the Group operates on a going concern basis.

(a) New accounting standards

i. New accounting standards and interpretations adopted during the year:

There were no amended accounting standards and interpretations issued by the Australian Accounting Standards Board effective for the year ended 30 June 2023 that had a material impact on the Group.

ii. Accounting standards issued but not yet effective:

The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferred of Effective Date;
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates;
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction; &
- AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

1. Summary of significant accounting policies (continued)

(b) Principles of consolidation

A controlled entity is any entity EVZ Limited is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A list of controlled entities is contained in Note 36 to the financial statements. All controlled entities have a June financial year-end. All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

If the Group acquires a controlling interest in a business in which it previously held an equity interest, that equity interest is remeasured to fair value at the acquisition date with any resulting gain or loss recognised in profit or loss or other comprehensive income, as appropriate.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

(c) Income tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (benefit). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant tax authority.

1. Summary of significant accounting policies (continued)

(c) Income tax (continued)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period where the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

EVZ Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under the tax consolidation regime. Each entity in the Group recognises its own current and deferred taxes, except for any deferred taxes resulting from unused tax losses and credits which are immediately assumed by EVZ Limited. The current tax liability of each Group entity is then subsequently assumed by EVZ Limited. The Group initially notified the Australian Taxation Office that it had formed an income tax consolidated Group to apply from 7 June 2004 and then again as each new business has been added or removed from the group. The tax consolidated Group has entered a tax sharing arrangement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated Group.

Notes to the consolidated financial statements
For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

The carrying amount of inventories is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

(e) Plant and equipment

Each class of plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

Plant and equipment is measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when probable future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets and capitalised lease assets, is depreciated on either a straight-line or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the remaining term of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5 to 30%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

1. Summary of significant accounting policies (continued)

(f) Leased assets

Measurement and recognition of leases as a leasee:
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included as short-term or long-term lease liabilities.

(g) Financial instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss (FVPL), which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

1. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets
The Group classifies its financial assets in the following measurement category:

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Impairment of financial assets
AASB 9's impairment requirements use forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets under AASB 15 and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

1. Summary of significant accounting policies (continued)

(h) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss.

Impairment testing for goodwill and intangible assets with indefinite lives is performed annually or more frequently when indicators of impairment are identified.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination.

(i) Goodwill

Goodwill is initially recorded at the amount by which the consideration for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is tested annually for impairment and 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.

(j) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss. Exchange differences arising on the translation of Non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of profit or loss.

1. Summary of significant accounting policies (continued)

(j) Foreign currency transactions and balances (continued)

Group companies
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss in the period in which the operation is disposed.

(k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Defined contribution plans
Contributions to defined superannuation plans are expensed when incurred.

Share based payments
The Group operates an equity-settled share-based payment employee share scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense with a corresponding increase to an equity account.

(l) Provisions

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

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and which are subject to insignificant risk of changes in value, and bank overdrafts.

1. Summary of significant accounting policies (continued)

(n) Revenue

Revenue is recognised when an entity satisfies a performance obligation by transferring control of a promised good or service to a customer.

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

The core principle of AASB 15 is that an entity shall recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Construction revenue

The contractual terms and the way in which the Group operates its construction contracts is predominantly derived from projects containing one performance obligation. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation. Contracted revenue is recognised over time by comparing costs incurred with total estimated costs required to deliver the project to measure progress. Estimated costs are reviewed on a monthly basis. The requirements of over time measurement are met as the construction creates assets with no alternative use to the Group and there is an enforceable right to payment for performance completed.

Contract variations are assessed to determine whether they represent a separate contract with the customer or are modifications to the original contract.

Most contracts are billed according to approved monthly progress claim schedules or in some cases according to contracted milestone schedules. When payments received from customers exceed revenue recognised to date on a particular contract, an excess (a contract liability) is reported in the statements of financial position. Alternatively, where revenue to be recognised exceeds amounts invoiced to customers, the excess (contract asset) is reported.

Services revenue

Services revenue arises from maintenance and other services supplied to infrastructure assets and facilities which may involve a range of services and processes.

Under AASB 15, these are recognised over time with reference to inputs (time and materials) as services are provided. These services have been determined to be one performance obligation as they are highly inter-related and fulfilled over time therefore revenue is recognised over time.

As with construction revenue, contract variations are assessed to determine whether they represent a separate contract with the customer or are modifications to the original.

1. Summary of significant accounting policies (continued)

Parts sales revenue
The Group recognises parts sales revenue as follows:

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to their customers. For each contract with a customer, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisf ied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price if any, reflects concessions provided to the customer such as discounts, rebates and refunds and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount method'. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended used or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

1. Summary of significant accounting policies (continued)

<u>Key estimates</u>

Impairment
The Group assesses the potential for existence of impairment of non-financial assets other than Goodwill at each reporting date by evaluating conditions specific to each asset or cash generating unit that indicates the existence of impairment. Where an impairment trigger exists, the recoverable amount of the cash generating unit is determined. Goodwill is tested for impairment annually. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Refer Note 9 for key estimates used in the assessment of Goodwill.

(s) Critical accounting estimates and judgments (continued)

Expected credit losses
The Group estimates expected credit losses using its historical experience, external indicators and forward-looking information.

At 30 June 2023, a provision for impairment of $623,726 (2022: $574,996) was raised against receivables from continuing operations. There is no provision raised for impairment against work in progress. (2022: $nil).

Recognition of deferred tax assets
The Group has recognised deferred tax assets of $1,757,212 (2022: $1,414,812) and Un-recouped tax losses $972,399 (2022: $1,196,059).

The realisation of these deferred tax assets is dependent upon generating sufficient taxable profit in the coming years.

The Group has projected its profits over the next five years and believes that future taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

Construction contracts and work-in-progress
Construction revenue is recognised on the stage-of-completion basis and measured by comparing construction contract costs incurred to date against expected final costs and recoveries of the construction contract.

Expected final costs are estimated following an assessment of each contract and a determination of expected costs still to be incurred.

Whilst expected final costs can vary, the Group believes that the expected final costs in its various construction contracts are appropriate at 30 June 2023.

(t) Going concern

The financial report for the year ended 30 June 2023 has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business.

In considering the going concern basis for the Group, the director's noted that the following factors are significant:

- The groups bank loan facility was paid down to nil on 30 September 2022. (2022: $300,000).
- The groups current backlog of contracted work remains strong and this is expected to enable revenues to remain stable and profits to improve in FY2024.

Notes to the consolidated financial statements
For the year ended 30 June 2023

			Consolidated entity	
			2023	**2022**
			$	**$**
2.	**Profit/(loss) from continuing operations**			
(a)	**Other income**			
	Sundry income		-	40,208
			-	**40,208**
(b)	**Expenses**			
	Impairment - receivables		48,730	144,906
	Total employee costs		41,131,192	28,103,871
	Defined contribution superannuation expense		2,938,247	2,234,268
	Foreign exchange losses / (gains)		69,553	(65,401)
	Loss / (profit) on sale of plant and equipment		(23,044)	-
	Short term and variable lease payments		44,421	26,960
	Depreciation of plant and equipment		2,141,160	1,749,233
	Share based payments expense	30	118,800	90,440
(c)	**Net finance costs:**			
	Finance costs		189,824	274,442
	Interest expense on lease liabilities		108,574	118,955
	Interest income		(108,120)	(94)
	Net finance costs from continuing operations		**190,278**	**393,303**
3.	**Income tax**			
(a)	The prima facie tax on profit before income tax from continuing operations is reconciled to income tax as follows:			
	Profit before income tax		1,425,835	1,005,326
	Income tax calculated at 30% (2022: 30%)		427,751	301,598
	Tax effect of permanent differences		(57,447)	(99,225)
	Utilisation of carried forward tax losses not previously recognised		(370,304)	(202,373)
	Prior year overprovision		(51,713)	-
	Tax effect of provisions acquired		(67,028)	-
	Taxation expense - offshore subsidiary		98,300	110,646
	Income tax expense / (benefit)		**(20,441)**	**110,646**
	The applicable weighted average effective tax rates are:		-1%	11%
(b)	The components of tax expense comprise:			
	Current tax		743,977	383,121
	Increase in deferred tax asset		(118,741)	-
	Utilisation of carried forward tax losses		(593,964)	(272,475)
	Prior year overprovision		(51,713)	-
			(20,441)	**110,646**

		Notes	Consolidated entity 2023 $	Consolidated entity 2022 $
4.	**Trade and other receivables**			
	Current			
	Trade receivables		19,687,004	18,339,065
	Provision for impairment		(623,726)	(574,996)
			19,063,278	17,764,069
	Retention receivables		796,689	671,285
			19,859,967	18,435,354
	Other debtors and receivables		815,683	271,941
			20,675,650	**18,707,295**
	Non-current			
	Retention receivables		1,118,241	1,232,301
			1,118,241	**1,232,301**

All trade and other receivables are classified as financial assets (refer Note 27).

Market practices provide for the retention of monies from progress and final billings on certain construction contracts. The monies are received after a contracted period of time has elapsed following completion of the construction.

Current trade receivables are non-interest bearing and generally on 30 days terms. Non-current trade receivables are assessed for recoverability based on the underlying terms of the contract.

Credit risk – trade and other receivables
The Group has no significant concentration of credit risk with respect to any single counter party or Group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has credit risk exposures in Australia and Asia given the substantial operations in those regions. The Group's exposure to credit risk for receivables at reporting date in those regions is as follows:

	Consolidated entity 2023 $	Consolidated entity 2022 $
Australia	17,709,518	16,096,433
Asia	4,708,099	4,418,159
	22,417,617	**20,514,592**

4. Trade and other receivables (continued)

Trade and other receivables pertaining to the Australian entities in the Group, as disclosed in Note 32, are provided as security against the Group's bank facilities. Also refer Notes 11 and 12.

	Consolidated entity 2023 $	Consolidated entity 2022 $
Provision for impairment of receivables		
Opening balance as at 1 July	574,996	430,090
Receivables recovered / (written off)	(61,677)	32,767
Provision recognised	110,407	112,139
Closing balance	**623,726**	**574,996**

The Group has experienced an increase in aged receivables as revenues have also increased. In addition, the currently economic uncertainties have been factored into the expected credit loss rate. These combined factors have led to an increase in provision at balance date.

Notes to the consolidated financial statements
For the year ended 30 June 2023

	Consolidated entity 2023 $	Consolidated entity 2022 $
5. Contract assets and contract liabilities		
Contract assets related to contracts	2,547,698	3,860,275
Contract liabilities related to contracts	6,772,896	8,802,807

Contract assets
Contract assets are balances due from customers under long term contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the Group's right to consideration for the services transferred to date. Amounts are generally reclassified to accounts receivable when there is an unconditional right to receive payment.

Contract liabilities
Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a milestone payment exceeds the revenue recognised to date. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $8,802,809 (2022: $2,510,808).

Contract assets and contract liabilities are offset where they relate to the same contract.

Contract assets and contract liabilities at the start of the reporting period was $3,860,275 (2022: $1,547,864) and $8,802,809 (2022: $2,510,808). All contract assets recognised at the start of the reporting period have been reclassified to accounts receivable during the financial year and all contract liabilities have been recognised as revenue during the financial year.

The decrease in contract assets is a result of the timing of contracts in progress at 30 June 2023.

	Consolidated entity 2023 $	Consolidated entity 2022 $
6(a) Inventories		
Current		
Raw materials and stores - at cost	3,494,723	2,611,419
	3,494,723	**2,611,419**

Inventories pertaining to the Australian entities in the Group, as disclosed in Note 32, are provided as security against the Group's bank facilities. Also refer Notes 11 and 12.

	Consolidated entity 2023 $	Consolidated entity 2022 $
6(b) Financial assets		
Funds on deposit	235,575	230,464
	235,575	**230,464**

Funds on deposit represent security deposits covering a guarantee for property lease obligations and contract performance bonds.

Notes to the consolidated financial statements

For the year ended 30 June 2023

7. Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

2023	Buildings	Plant and equipment	Total
At cost	3,002,432	18,170,922	21,173,354
Accumulated depreciation	(1,659,044)	(11,717,181)	(13,376,225)
Total carrying amount - closing balance	**1,343,388**	**6,453,741**	**7,797,129**
Movement in carrying amounts			
Carrying amount - opening balance	1,261,555	4,902,382	6,163,937
Lease modifications during the financial year	-	-	-
Additions from business acquisitions	-	522,108	522,108
Additions	215,954	3,048,356	3,264,310
Disposals	-	-	-
Depreciation	(129,789)	(2,011,371)	(2,141,160)
Exchange rate movement	(4,332)	(7,734)	(12,066)
Carrying amount - closing balance	**1,343,388**	**6,453,741**	**7,797,129**

2022	Buildings	Plant and equipment	Total
At cost	2,790,810	15,223,873	18,014,683
Accumulated depreciation	(1,529,255)	(10,321,491)	(11,850,746)
Total carrying amount - closing balance	**1,261,555**	**4,902,382**	**6,163,937**
Movement in carrying amounts			
Carrying amount - opening balance	1,696,859	4,873,536	6,570,395
Lease modifications during the financial year	-	-	-
Additions	(153,709)	1,478,711	1,325,002
Disposals	-	-	-
Depreciation	(281,595)	(1,467,638)	(1,749,233)
Exchange rate movement	-	17,773	17,773
Carrying amount - closing balance	**1,261,555**	**4,902,382**	**6,163,937**

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Consolidated entity	
	2023	**2022**
Buildings (ROU)	1,158,975	1,069,060
Plant and equipment (ROU)	104,177	143,361
Right-of-use assets at carrying amount	**1,263,152**	**1,212,421**

The depreciation expense attributable to right-of-use assets during the financial year:

Buildings (ROU)	(1,646,924)	(1,520,885)
Plant and equipment (ROU)	(91,741)	(52,557)
Right-of-use assets depreciation expense	**(1,738,665)**	**(1,573,442)**

Other than AASB 16 right of use assets, Plant and equipment, pertaining to the Australian entities in the Group are provided as security against the Group’s bank facilities.
Also refer Notes 11 and 12.

Notes to the consolidated financial statements
For the year ended 30 June 2023

	Consolidated entity 2023 $	Consolidated entity 2022 $
8. Tax assets and liabilities		
Tax assets:		
Deferred tax assets	2,729,611	2,610,870
Total deferred tax assets	**2,729,611**	**2,610,870**
Deferred tax assets comprise:		
Provisions	1,558,769	1,303,480
Other	198,443	111,331
Un-recouped tax losses	972,399	1,196,059
	2,729,611	**2,610,870**
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	1,303,480	1,246,491
Credited/(expensed) to income account	255,289	56,989
Closing balance	1,558,769	1,303,480
Other		
Opening balance	111,331	98,218
Credited/(expensed) to income account	87,112	13,113
Closing balance	198,443	111,331
Unrecouped tax losses		
Opening balance	1,196,059	1,266,161
Tax losses recognised/(recouped)	(223,660)	(70,102)
	972,399	1,196,059
Closing balance of deferred tax assets	**2,729,611**	**2,610,870**

The company has considered it appropriate to not recognize in the financial accounts the benefit of all tax losses available to the Company at the end of the financial year.

The company has conservatively extrapolated profit projections based on 12% revenue growth for the year ending 30 June 2024 and then 0% for subsequent years. These projections support the recovery of the carrying value of deferred tax assets at 30 June 2023 of $2,729,611 within a three year time frame. The Directors consider this to be an acceptable timeframe for assessing the recovery of the carrying value of deferred tax assets as probable.

As a result, gross tax losses not recognized as at 30 June 2023 are $3,084,771 (2022: $4,319,120) which tax effected is $925,431 (2022: $1,295,736)

	Consolidated entity 2023 $	2022 $
8. Tax assets (continued)		
Tax liabilities		
Current		
Income Tax	91,470	83,948
Non-current		
Provision for deferred tax	37,330	40,380
Opening balance	40,380	46,692
Additional / (Reduction) in provisions raised during year	(2,179)	(7,642)
Exchange rate movement	(871)	1,330
Closing balance	**37,330**	**40,380**

	2023 $	2022 $
9. Intangible assets		
Goodwill – at cost	27,889,290	27,889,290
Less accumulated impairment	(15,817,280)	(15,817,280)
Total Intangible assets	**12,072,010**	**12,072,010**
Movements in goodwill carrying amounts:		
Opening balance	12,072,010	12,072,010
Movement in the year	-	-
Closing Balance	**12,072,010**	**12,072,010**
Goodwill by cash generating unit (CGU):		
Syfon Systems Group	3,282,532	3,282,532
Engineering Group - Brockman Engineering	8,789,478	8,789,478
	12,072,010	**12,072,010**

9. Intangible assets (continued)

Impairment disclosures

The EVZ Group assesses at each annual reporting date the potential impairment to the carrying value of Goodwill of the relevant cash generating unit (CGU).

The recoverable amount of each CGU (engineering and water) is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of after-tax cash flow projections over a five year period adjusted for the estimated terminal value of the cash generating unit. The cash flows are discounted using a discount rate determined individually for each CGU and reflects current market assessment of the time value of money and industry-specific risk factors. All discount rates are after tax.

Budgets use estimated weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the periods which are consistent with inflation rates applicable to the locations in which the businesses operate. The forecasts used in the value-in-use calculations are based on the management approved budgets.

Other key assumptions in the value-in-use calculation include gross margin, allowances for capital expenditure and normalisation of working capital changes. Due to the correlation of these factors, assumptions for growth rates and discount rates are the most sensitive in the value-in-use calculation.

The following assumptions were used in the value-in-use calculations:

	2023		2022	
	Growth Rates	Discount Rates	Growth Rates	Discount Rates
Syfon Systems Group:				
Growth year 1	7%	15%	13%	15%
Growth subsequent years	2%	15%	2%	15%
Engineering (Brockman Eng.):				
Growth year 1	-4%	15%	2%	15%
Growth subsequent years	2%	15%	2%	15%

The growth rate of 7% in revenue modelled for Syfon Systems is based on the significant level of contracted backlog being held at 30 June 2023. Subsequent years are then modelled to return to a more modest 2% growth. Gross margin is not expected to be impacted.

For Brockman, contracted backlog remains strong but has reduced from prior year. Accordingly, FY24 revenue has been modelled to be slightly lower than FY23 as the business focuses on gross margin improvement across current projects rather than top line growth. Subsequent years model a conservative 2% growth rate reflecting the minimum expected growth that is expected in each of the relevant CGUs in normal markets.

All growth rates consider forward work-in-hand levels, weighted project prospects, consideration of future expected activities, and giving consideration to historical growth rates achieved.

9. Intangible assets (continued)

Key estimates

The following sensitivity analysis was undertaken with respect to the value in use calculations and the imbedded assumptions and estimates used in performing the impairment testing on the carrying value of goodwill.

In performing impairment testing on the carrying values of goodwill, certain discount rates and growth rates have been assumed as part of the value-in-use calculations.

The following table illustrates sensitivities to changes in those discount rates and growth rates. The discount and growth rates used, and the results of the sensitivity analysis are:

	2023		2022	
	Growth Rates	Discount Rates	Growth Rates	Discount Rates
Syfon Systems Group:				
Growth year 1	7%	17%	0%	17%
Growth subsequent years	0%	17%	0%	17%
Engineering (Brockman Eng.):				
Growth year 1	-4%	17%	15%	17%
Growth subsequent years	0%	17%	0%	17%

Value of impairment to carrying value of goodwill based on sensitivity analysis:	**2023 $**	**2022 $**
Syfon Systems Group	-	-
Engineering (Brockman Engineering)	-	-
	-	-

The sensitivity discount rate for 2023 is the same as prior year at 17%. Growth rates for subsequent years have been reduced to nil. As a result, there is no impairment in either Syfon Systems group or Brockman Engineering.

	2023 $	**2022 $**
10. Trade and other payables		
Trade payables	11,554,674	8,129,569
Sundry payables and accrued expense	4,039,147	4,339,687
	15,593,821	**12,469,256**

		Notes	Consolidated entity 2023 $	2022 $
11.	**Short-term borrowings**			
	Bank loans - secured		-	300,000
	Lease liabilities - secured	24.	1,182,668	947,494
			1,182,668	**1,247,494**

Current	-	300,000
1 to 2 years	-	-
2 to 3 years	-	-
Total bank loans	**-**	**300,000**

Bank loans – secured:

The Groups bank loan facility was paid down to nil on 30 September 2023.

Bank loans are secured by a registered equitable mortgage over the assets and undertakings of EVZ Limited and an unlimited guarantee from EVZ Limited's Australian controlled entities: Syfon Systems Pty Ltd, Syfon International Pty Ltd, Brockman Engineering Pty Ltd, TSF Power Pty Ltd. Also refer to Note 32 for quantification of assets secured by Australian entities.

	Notes	Consolidated entity 2023 $	2022 $
12. Long-term borrowings			
Lease liabilities - secured	24.	1,543,049	1,196,821
		1,543,049	**1,196,821**

Also refer to Note 24 leases for further information on lease liabilities, reconciliation and maturity details.

13. Provisions			
Current			
Employee benefits		4,121,392	3,403,856
		4,121,392	**3,403,856**
Movement in employee benefits:			
Opening employee balance		3,403,856	3,121,115
Acquired in business combination acquisition		223,426	-
Provisions created/(utilised) during year		494,110	282,741
Closing balance		**4,121,392**	**3,403,856**
Non current			
Employee benefits		152,151	110,201
		152,151	**110,201**
Movement in employee benefits:			
Opening employee balance		110,201	88,024
Provisions created/(utilised) during year		41,950	22,177
Closing balance		**152,151**	**110,201**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits are disclosed in Note 1(k).

14. Issued capital			
Issued and paid up			
2023: 120,621,917 ordinary shares			
2022: 120,145,917 ordinary shares	14(a)	60,099,766	60,009,326
		60,099,766	60,009,326
(a) Issued and fully paid up ordinary shares			
Opening balance		60,009,326	56,457,180
Shares issued		90,440	3,724,523
Share issue costs		-	(172,377)
Closing balance		**60,099,766**	**60,009,326**

	Consolidated entity 2023	Consolidated entity 2022
14. Issued capital (continued)		
(a) Issued and fully paid up ordinary shares (continued)	**No. of shares**	**No. of shares**
Opening balance	120,145,917	96,116,734
Shares issued	476,000	24,029,183
Closing balance	**120,621,917**	**120,145,917**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

(b) Performance rights	**No. of rights**	**No. of rights**
Opening balance	4,876,000	4,400,000
Performance rights granted	2,200,000	2,200,000
Performance rights exercised	(476,000)	-
Performance rights lapsed / forfeited	(2,530,000)	(1,724,000)
Closing balance	**4,070,000**	**4,876,000**

During the year 470,000 (FY2022: 476,000) performance rights vested to Key Management Personnel. The performance rights were issued subsequent to year end.

Performance rights which have been granted expire at the end of the financial period to which they relate if the targeted performance objectives are not met. The company plans to award and allot the shares within 90 days of the date of this report.

Performance rights are granted as part of the long-term incentive scheme and are determined based on the measures and results of a balanced scorecard analysis for each of key managements' contribution to the business during the financial year. The measures are determined by the Board and all incentive awards are at the discretion of the Board.

(c) Capital management:

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, provide shareholders with adequate returns and ensure the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated entity 2023 $	Consolidated entity 2022 $
15. Dividends		
Interim fully franked ordinary dividend	-	-
Final fully franked ordinary dividend	-	-
Total dividends	-	-
Balance of franking account	**1,813,797**	**1,813,797**

	Consolidated entity 2023 $	Consolidated entity 2022 $
16. Reserves and accumulated losses		
(a) Accumulated losses:		
Accumulated losses at the beginning of the financial year	(30,900,029)	(31,794,709)
Net profit/(loss) attributable to members of the parent entity	1,446,276	894,680
Accumulated losses at the end of the financial year	**(29,453,753)**	**(30,900,029)**
(b) Total Reserves:		
Total Reserves at beginning of year	(42,004)	(215,618)
Movements for year:		
Foreign currency translation reserve (see detail below)	(188,354)	83,174
Performance rights reserve (see detail below)	28,360	90,440
Total Reserves at end of year	**(201,998)**	**(42,004)**
Foreign currency translation reserves:		
Reserves at beginning of year	(132,444)	(215,618)
Movement for year - Foreign currency translation reserve	(188,354)	83,174
Reserves at end of year	**(320,798)**	**(132,444)**
Share option reserves:		
Reserves at beginning of year	90,440	-
Shares issued	(90,440)	-
New performance right share options issued	118,800	90,440
Reserves at end of year	**118,800**	**90,440**

17. Earnings per share

	2023	2022
(a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	120,415,868	100,790,904
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of diluted earnings per share	126,518,903	107,198,027

18. Key management personnel

Names and positions of Directors and key management personnel in office at any time during the financial year are:

Mr G Burns	Non-Executive Chairman
Mr R Edgley	Non-Executive Director
Mr I Luck	Non-Executive Director
Mr S Farthing	Chief Executive Officer
Mr P van der Wal	Chief Financial Officer and Company Secretary
Mr A Bellgrove	General Manager of Syfon Systems Group
Mr C Bishop (resigned 15 Feb. 2023)	General Manager of Brockman Engineering
Mr J Hughes	General Manager of TSF Power
Mr M Redmond (appointed 15 Feb. 2023)	General Manager of Brockman Engineering

18. Key management personnel (continued)

Remuneration of key management personnel is:

	Consolidated entity 2023 $	Consolidated entity 2022 $
Short term employee benefits	2,107,607	2,024,326
Post-employment benefits	137,508	120,046
Share based payments	118,800	-
	2,363,915	**2,144,372**

Refer to disclosures in Note 20 for other transactions with Key Management Personnel.

Key Management Personnel are the non-executive directors and employees who have authority and responsibility for planning, directing and controlling the activities of the Company.

Refer to disclosures in the Directors report for the number of ordinary shares held by each Key Management Personnel of the Group during the financial year.

Remuneration policy

The remuneration policy of the Company has been designed to align Director and Executive remuneration with shareholder and business objectives by providing a fixed remuneration component and where appropriate offering specific short and long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Directors and Executives to govern and manage the Group, as well as to create goal congruence between Directors, Executives and Shareholders.

Executive remuneration

The Board's policy for determining the nature and amount of remuneration for key senior Executives for the Group is as follows:

- The remuneration policy, setting the terms and conditions for Executive officers, was developed by the Remuneration Committee and approved by the Board after seeking professional advice where appropriate from independent external consultants.
- All Executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and where appropriate performance incentives.

The Remuneration Committee reviews Executive remuneration packages annually with reference to the Group's performance, each Executive's performance and comparable information from industry sectors and listed companies in similar industries. The performance of each Executive is measured against criteria agreed with each Executive and is based predominantly on forecast growth of the Group's profits and shareholders' value. Bonuses and incentives will be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

18. Key management personnel (continued)

The Remuneration Committee set certain key performance indicators for the key Executives in the Group. The key performance indicators were both quantitative and qualitative measures. During the financial year Executives met a portion of these key performance indicators and therefore the Remuneration Committee has, subsequent to year end, approved short term incentive payments of $213,407 (2022: 281,705).

Long term incentive performance rights issued under the EVZ Directors' and Employees' Benefits Plan, were also exercised during the current year of 476,000 (2022: nil).

Refer to the share based payments note for further details.

Executives receive a superannuation guarantee contribution as required by the Government and do not receive any other retirement benefits. Individuals may choose to sacrifice part of their salary to increase payments towards superannuation. All remuneration paid to Executives is valued at the cost to the Company and expensed.

Director remuneration

The Board's policy is to remunerate Non-Executive Directors at appropriate market rates. The Remuneration Committee recommends the fee structure for Non-Executive Directors which will be determined by reference to market practice, duties performed, time, commitment and accountability. Director fees are reviewed annually by the Remuneration Committee.

The Remuneration Committee may seek independent advice in determining appropriate fee structures for Directors.

The maximum aggregate amount of fees payable to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may be able to participate in any employee share/option plan introduced.

All remuneration paid to Directors is valued at the cost to the Company and expensed.

	Consolidated entity	
	2023	**2022**
	$	**$**
19. Auditors remuneration		
Remuneration paid/payable to auditors for:		
Audit or review of financial report	146,500	124,000
non-audit services	-	-
	146,500	**124,000**

20. Related party disclosures

(a) The directors of EVZ Limited during the financial year were:

- Mr G Burns
- Mr R Edgley
- Mr I Luck

(b) Transactions with director related entities

- G Burns: Directors fees paid of $87,233 (2022: $80,000) and $23,100 (2022: $20,000) is payable.
- R Edgley: Directors fees paid of $55,067 (2022: $50,000) and $9,600 (2022: $8,333) is payable.
- I Luck: Directors fees paid of $55,067 (2022: $50,000) and $9,600 (2022: $8,333) is payable.

21. Segment reporting

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements

Types of products and services by segment

i. ***Engineering***

The engineering segment designs, manufactures and installs large steel tanks, silos, cooling towers, pipe spooling, pressure vessels and fabricates structural steel. All products produced are aggregated as one reportable segment as the products are similar in nature, manufactured and distributed to similar types of customers and subject to a similar regulatory environment.

The engineering segment is also involved in the installation process and provides ongoing support and maintenance for its products. Support is provided to existing customers for maintenance required for products under warranty.

21. Segment reporting (continued)

ii. Energy

The energy segment designs and installs constant load power stations, back-up power generation equipment and sustainable/clean energy solutions. In addition, the segment services, maintains and hires all types of generators and associated equipment.

iii. Water

The water segment designs syphonic roof drainage systems for large and/or complex roof structures, supplies and installs metal panel tanks and prefabricated hydraulic systems.

Basis of accounting for purposes of reporting by operating segments

i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

ii. Inter-segment transactions

Inter-segment sales are based on values that would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Impairment of assets and other Non-recurring items of revenue or expense
- Income tax expense
- Current tax liabilities
- Other financial liabilities

Notes to the consolidated financial statements
For the year ended 30 June 2023

21. Segment reporting (continued)

(a) Segment reporting - continuing operations

Twelve months ended 30 June 2023:	Engineering $	Energy $	Water $	Corporate $	Total $
Revenue					
External sales	72,793,143	9,797,651	28,609,595	-	111,200,389
Total segment revenue	**72,793,143**	**9,797,651**	**28,609,595**	**-**	**111,200,389**
Reconciliation of segment revenue to group revenue:					
Total group revenue	**72,793,143**	**9,797,651**	**28,609,595**	**-**	**111,200,389**
Segment net profit /(loss) before interest and tax	598,832	785,311	2,103,317	(1,871,347)	1,616,113
Reconciliation of net profit before interest and tax to group net profit/ (loss) before tax					
Unallocated items					
Net finance costs from continuing operations					(190,278)
Net profit before tax from continuing operations					**1,425,835**
Included in segment net profit before interest and tax:					
Depreciation	1,020,599	388,288	684,982	47,291	2,141,160
Impairment:					
Receivables	-	13,857	96,550	-	110,407

Notes to the consolidated financial statements
For the year ended 30 June 2023

21. Segment reporting (continued)

(a) Segment Reporting - continuing operations (continued)

Twelve months ended 30 June 2022:	Engineering $	Energy $	Water $	Corporate $	Total $
Revenue					
External sales	38,768,250	7,485,454	21,253,215	-	67,506,919
Total segment revenue	**38,768,250**	**7,485,454**	**21,253,215**	**-**	**67,506,919**
Reconciliation of segment revenue to group revenue:					
Total group revenue	**38,768,250**	**7,485,454**	**21,253,215**	**-**	**67,506,919**
Segment net profit /(loss) before interest and tax	805,390	454,475	1,832,861	(1,694,097)	1,398,629
Reconciliation of net profit before interest and tax to group net profit/(loss) before tax					
Unallocated items					
Net finance costs from continuing operations					(393,303)
Net profit before tax from continuing operations					**1,005,326**
Included in segment net profit before interest and tax:					
Depreciation	783,597	354,311	574,019	37,307	1,749,234
Impairment:					
Receivables	(73,857)	12,689	173,307	-	112,139

Notes to the consolidated financial statements
For the year ended 30 June 2023

21. Segment reporting (continued)

Twelve months ended 30 June 2023:	Engineering	Energy	Water	Corporate	Total
Segment assets					
Segment Assets	30,487,377	4,432,710	33,836,493	1,971,727	70,728,307
Inter-segment elimination					(10,789,515)
Total group assets					**59,938,792**
Segment asset increases for the period:					
Capital expenditure	717,405	209,207	932,241	46,064	1,904,917
	717,405	**209,207**	**932,241**	**46,064**	**1,904,917**
Segment liabilities					
Segment liabilities	20,854,422	5,683,478	7,543,711	387,085	34,468,696
Inter-segment elimination					(4,973,919)
Total group liabilities					**29,494,777**

Twelve months ended 30 June 2022:	Engineering	Energy	Water	Corporate	Total
Segment assets					
Segment Assets	32,359,949	3,267,222	28,963,264	4,218,022	68,808,457
Inter-segment elimination					(12,386,401)
Total group assets					**56,422,056**
Segment asset increases for the period:					
Capital expenditure	995,038	24,322	305,642	-	1,325,002
	995,038	**24,322**	**305,642**	**-**	**1,325,002**
Segment liabilities					
Segment liabilities	23,200,404	5,273,140	5,883,455	888,016	35,245,015
Inter-segment elimination					(7,890,252)
Total group liabilities					**27,354,763**

Notes to the consolidated financial statements
For the year ended 30 June 2023

21. Segment reporting (continued)

(c)	Revenue by category:	Engineering $	Energy $	Water $	Corporate $	Total $
	For the year ended 30 June 2023					
	Revenue recognised over time					
	Construction contracts	72,793,143	-	28,609,594	-	101,402,737
	Services revenue	-	7,108,693	-		7,108,693
	Revenue recognised at point in time					
	Part sales revenue		2,688,959			2,688,959
	Total revenue from contracts	**72,793,143**	**9,797,652**	**28,609,594**	**-**	**111,200,389**
	For the year ended 30 June 2022					
	Revenue recognised over time					
	Construction contracts	38,768,250	-	21,253,216	-	60,021,466
	Services revenue	-	7,485,453	-		7,485,453
	Total group revenue	**38,768,250**	**7,485,453**	**21,253,216**	**-**	**67,506,919**

(d)	Revenue by geographical locations:	Engineering $	Energy $	Water $	Corporate $	Total $
	For the year ended 30 June 2023					
	Revenue					
	Australia	72,793,143	7,108,693	19,365,188	-	99,267,025
	Asia	-	-	9,244,406	-	9,244,406
	Total revenue from contracts	**72,793,143**	**7,108,693**	**28,609,594**	**-**	**108,511,430**
	For the year ended 30 June 2022					
	Revenue					
	Australia	38,768,250	7,485,453	15,126,455	-	61,380,158
	Asia	-	-	6,126,761	-	6,126,761
	Total group revenue	**38,768,250**	**7,485,453**	**21,253,216**	**-**	**67,506,919**

(e)	Assets by geographical locations:	Consolidated entity 2023 $	2022 $
	Australia	52,213,315	48,995,131
	Asia	7,725,477	7,426,925
	Total assets	**59,938,792**	**56,422,056**

Major customers
The Group has a number of customers to whom it provides products and services. In the current year, the Group had two major customers in the Engineering segment who account for 26% and 17% respectively (2022: 31% and 7%) of external revenue. There are no other significant client accounts.

	Consolidated entity 2023 $	2022 $
22. Consolidated statement of cash flows		
Cash balances comprise:		
Cash on hand	9,268,155	8,933,485
Closing cash balance	**9,268,155**	**8,933,485**
Reconciliation of the operating profit after tax to net cash flows from operations:		
Operating profit after tax	1,446,276	894,679
(Gain)/Loss on sale of plant and equipment	(23,044)	-
Depreciation - plant & equipment	2,141,160	1,749,233
Gain/(loss) on foreign currency translation	(69,553)	65,401
Share based payments	-	90,440
Increase/(decrease) in provisions for employee entitlements	536,061	304,918
(Increase)/decrease in inventories	(712,180)	(279,775)
(Increase)/decrease in trade and other receivables	(220,173)	(9,800,882)
(Increase)/decrease in deferred tax	(121,790)	(6,311)
Increase/(decrease) in payables	1,094,652	11,299,265
Increase/(decrease) in tax liabilities	7,522	(28,449)
Net cash provided/(used) by operating activities	**4,078,931**	**4,288,519**

23. Standby arrangements and unused credit facilities

Controlled entities in the Group have Contingent Liability Bank Guarantee facilities and Letter of Credit Facilities totalling $7,000,000 available to them as at 30 June 2023 (2022: $5,000,000). Of this total facility, $4,548,938 (2022: $4,731,885) has been utilised and $2,451,062 (2022: $268,115) remained unused and available for the controlled entities use as at 30 June 2023. The facilities are secured by a registered equitable mortgage over the assets and undertakings of all Australian companies in the Group.

In addition to the above facility, the Group has provided cash backed bank guarantees of $86,532 at 30 June, 2023 (2022: $111,965) as performance security on projects. The bank guarantees are secured by term deposits totalling the same amount.

For further information on bank guarantees, please also refer to Note 30, subsequent events.

	Consolidated entity 2023 $	2022 $
24. Leases		
Lease liabilities recognised in the statement of financial position:		
Current	1,182,668	947,494
Non-current	1,543,049	1,196,821
Total lease liability	**2,725,717**	**2,144,315**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments are as follows:

2023	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
Lease payments	1,310,965	1,035,706	544,147	46,705	-	-	**2,937,523**
Finance charges	(128,297)	(66,019)	(16,275)	(1,215)	-	-	**(211,806)**
Net present values	**1,182,668**	**969,687**	**527,872**	**45,490**	**-**	**-**	**2,725,717**

2022	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
Lease payments	1,043,338	726,876	442,225	92,703	2,676	-	**2,307,819**
Finance charges	(95,844)	(47,862)	(18,315)	(1,472)	(10)	-	**(163,504)**
Net present values	**947,494**	**679,014**	**423,910**	**91,231**	**2,666**	**-**	**2,144,315**

25. Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	Consolidated entity 2023 $	2022 $
Short term leases	44,421	26,960
Leases of low value assets	-	-
Total lease liability	**44,421**	**26,960**

26. Contingent liabilities

Apart from drawn bank guarantee facilities (refer Note 23), there were no contingent liabilities as at 30 June 2023 (2022: Nil).

27. Financial instruments

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, bank bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

(i) Treasury risk management

The Board of Directors is responsible for monitoring treasury risk. Currency and interest rate exposures are reviewed regularly to ensure any risk associated with these exposures is minimized.

(ii) Financial risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

- *Interest rate risk*
  The consolidated entity has no bank loan borrowings at balance date (2022: $300,000).

- *Foreign currency risk*
  The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency. The Group monitors its foreign exchange exposure on a regular basis.

- *Liquidity risk*
  The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

- *Credit risk*
  The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

(a) Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate, assets and liabilities to maturity. The table below shows the Group's interest rate risk exposure as at 30 June.

Notes to the consolidated financial statements
For the year ended 30 June 2023

27. Financial instruments (continued)

Consolidated entity	Floating Interest rate	Fixed Interest			Non Interest Bearing	Total
		< 1 year	1 to 5 years	> 5 years		
	$	$	$	$	$	$
2023						
Financial assets						
Cash & cash equivalents	1,250,105	-	-	-	8,018,050	9,268,155
Trade & other receivables	-	-	-	-	21,793,891	21,793,891
Financial assets	-	-	-	-	235,575	235,575
Total financial assets	**1,250,105**	**-**	**-**	**-**	**30,047,516**	**31,297,621**
Weighted average interest rate	*1.35%*				*0.00%*	*0.00%*
Financial liabilities						
Trade & other payables	-	-	-	-	13,223,477	13,223,477
Finance leases	1,353,913	-	-	-	-	1,353,913
Total financial liabilities	**1,353,913**	**-**	**-**	**-**	**13,223,477**	**14,577,390**
Weighted average interest rate	*6.65%*				*0.00%*	
Net financial assets/(liabilitie	**(103,808)**	**-**	**-**	**-**	**16,824,039**	**16,720,231**
2022						
Financial assets						
Cash & cash equivalents	-	-	-	-	8,933,485	8,933,485
Trade & other receivables	-	-	-	-	19,939,596	19,939,596
Financial assets	-	-	-	-	230,464	230,464
Total financial assets	**-**	**-**	**-**	**-**	**29,103,545**	**29,103,545**
Weighted average interest rate					*0.00%*	*0.00%*
Financial liabilities						
Trade & other payables	-	-	-	-	9,357,185	9,357,185
Borrowings	300,000	-	-	-	-	300,000
Total financial liabilities	**300,000**	**-**	**-**	**-**	**9,357,185**	**9,657,185**
Weighted average interest rate	*5.61%*				*0.00%*	
Net financial assets/(liabilitie	**(300,000)**	**-**	**-**	**-**	**19,746,360**	**19,446,360**

	Consolidated entity 2023	Consolidated entity 2022
Reconciliation of Net Financials Assets/(Liabilities) to Net Assets	**$**	**$**
Net financial assets/(liabilities)	16,720,231	19,446,360
Add/(subtract) Non-financial assets and liabilities:		
Contract Assets	2,547,698	3,860,275
Inventories	3,494,723	2,611,419
Plant and equipment	7,797,129	6,163,937
Deferred tax assets	2,729,611	2,610,870
Intangible assets	12,072,010	12,072,010
Contract Liabilities	(6,772,896)	(8,802,807)
AASB 16 ROU Lease Liabilities	(1,371,804)	(2,144,315)
Provisions	(4,310,873)	(3,554,437)
Accruals	(2,461,814)	(3,196,019)
Net Assets	**30,444,015**	**29,067,293**

27. Financial instruments (continued)

(b) Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximate their carrying value.

(c) Liquidity risk

Refer to Note 27(a) for a maturity analysis of financial assets and liabilities and to Note 24 Leases for a maturity analysis of lease liabilities. All floating interest rate balances and all non-interest-bearing balances except for retention receivables totalling $1,914,930 (2022: $1,903,585), (refer Note 4) are current and due within 12 months.

(d) Interest rate risk

The Group currently has no bank loans and therefore believes it has minimal exposure to interest rate risk.

(e) Foreign currency risk

Refer Note 21 for a breakdown of revenue and assets by geographic location. Whilst the Group monitors its foreign exchange risk, it does not believe there is any material risk associated with its foreign exchange exposure.

(f) Price risk

The Group minimises its exposure to price risk as costs of major materials and components are set at the time of project tender.

28. Share based dividend payments

There were no share-based dividend payments in the year ended 30 June 2023.

29. Investment in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holdings	
			2023	2022
Syfon Systems Pty Ltd	Australia	Ordinary	100%	100%
Syfon Systems Sdn Bhd	Malaysia	Ordinary	100%	100%
Syfon Systems Pte Ltd	Singapore	Ordinary	100%	100%
Syfon Systems SE Asia, Inc.	Philippines	Ordinary	100%	100%
Syfon Systems Vietnam Co Ltd	Vietnam	Ordinary	100%	100%
Syfon International Pty Ltd	Australia	Ordinary	100%	100%
Brockman Engineering Pty Ltd	Australia	Ordinary	100%	100%
Brockman Project Services Pty Ltd	Australia	Ordinary	100%	100%
Tank Industries Australia Pty Ltd	Australia	Ordinary	100%	-
TSF Power Pty Ltd	Australia	Ordinary	100%	100%

Syfon International Pty Ltd and Brockman Project Services Pty Ltd did not trade during the year or the prior year.

Refer note 31 for the Acquisitions and disposals note regarding the acquisition of the Tank Industries Australia business.

30. Share based payments

During the period performance rights over ordinary shares in the company were granted as remuneration to key executives in the group as part of the Long-Term Incentive (LTI) program. These performance rights will vest subject to the meeting of Key Performance Indicators ("KPIs") and service conditions.

The Key Performance Indicators ("KPIs") used to measure performance for these incentives are group profit growth, earnings per share growth and cashflow. These KPIs are measured over a three-year performance period and were chosen because they are aligned to shareholder wealth creation. For each component of the LTI against a KPI no award is made where performance falls below the minimum threshold for that KPI

Details regarding the payments related to these performance rights are as follows:

	Consolidated entity 2023 $	Consolidated entity 2022 $
(a) Expense recognised in profit or loss		
Share based payments expenses for the year comprises:		
Performance rights under Long Term Incentive plan	118,800	90,440
	118,800	**90,440**

(b) Performance rights granted as remuneration

Instrument	Grant Date	Vesting Date	Number of rights	Exercise Price	Fair Value at grant date *	Expiry Date	% Vested
FY2023 Rights	12-Aug-22	30-Jun-25	1,800,000	-	$ 0.19	12-Aug-25	-
FY2022 Rights	01-Aug-21	30-Jun-24	1,800,000	-	$ 0.16	01-Aug-24	-
FY2021 Rights	30-Sep-20	30-Jun-23	1,800,000	-	$ 0.14	30-Sep-23	26%
			5,400,000				

* Fair value is determined based on the Company's ASX traded share price on grant date.

(c) Performance rights granted and outstanding
The following table shows the performance rights granted and outstanding at the beginning and end of the reporting period.

	2023 Number of performance rights	2022 Number of performance rights
As at 1 July	4,876,000	4,400,000
Granted during the year as remuneration	2,200,000	2,200,000
Forfeited/expired during the year	(2,530,000)	(1,724,000)
Exercised during the year	(476,000)	-
As at 30 June	**4,070,000**	**4,876,000**
Vested and exercisable at 30 June	470,000	476,000

31. Acquisitions and disposals

On 10 January 2023, the Group acquired 100% of the shares in Tank Industries Australia Pty Ltd.

The Tank Industries business designs, manufactures and installs bolted panel tanks which are primarily used to store water.

The details of the business combination are as follows:

Fair value of the consideration transferred:	
Amount settled in cash	796,463
Total fair value and net cash outflow on acquisistion	**796,463**
Recognised amounts of identifiable net assets:	
Inventories	171,124
Contract assets	326,657
Total current assets	**497,781**
Property, plant and equipment (note 7)	522,108
Total non-current assets	**522,108**
Provisions	(223,426)
Total current liabilities	**(223,426)**
Identifiable net assets	**796,463**
Goodwill on acquisition	-
Acquisition costs charged to expenses	**40,365**

Acquisition-related costs amounting to $40,365 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of other expenses.

Tank Industries generated a profit of $101,545 for the six months from acquisition to 30 June 2023. Revenue for the corresponding six months to 30 June 2023 was $2,435,591.

The identifiable assets and liabilities at acquisition date were measured at fair value. There was no material identifiable intangible assets and therefore the fair value of net acquired equals the consideration paid.

Notes to the consolidated financial statements
For the year ended 30 June 2023

32. Subsequent events

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years after the financial year.

33. Construction contracts

	2023 $	2022 $
Aggregate amount of contract revenue recognised during the financial year	**101,289,228**	**60,010,870**
Contract revenue recognised to date (including losses recognised) on contracts in progress	96,106,662	58,984,136
Progress billings	(100,658,517)	(63,926,670)
Receipts in advance	6,772,896	8,802,809
WIP Acquired from business combination	326,657	-
Amounts due from customers for contract work in progress	**2,547,698**	**3,860,275**
Total receivable from customers for contract work in progress as included in Note 4	**17,935,042**	**17,103,127**
Retention receivables as included in Note 4	**1,914,930**	**1,903,586**

Construction contacts which have remaining performance obligations at 30 June 2023 total $75,022,483 (2022: $81,680,315). Note that these figures exclude long term service and maintenance contracts also held by the group at 30 June 2023 for $9,499,567 (2022: $20,322,307).

Refer note 1 for more detail of accounting policy for revenue recognition.

34. Deed of cross guarantee

During the financial year;

A deed of cross guarantee between EVZ Ltd (Parent Entity), and Brockman Engineering Pty Ltd, Syfon Systems Pty Ltd and Syfon International Pty Ltd (Group Entities) existed and relief is obtained from preparing financial statements for those Group Entities under ASIC Legislative Instrument 2016/785.

Under the deed, EVZ Ltd and the Group Entities jointly guarantee to support the liabilities and obligations of the Group Entities. EVZ Ltd and the Group Entities are the only parties to the deeds of cross guarantee and form the closed group. On the following page are the aggregate totals, for each category, relieved under the deed:

Notes to the consolidated financial statements
For the year ended 30 June 2023

34. Deed of cross guarantee (continued)

		Closed group & parties to deed of cross guarantee	
		2023	2022
		$	$
	Financial information in relation to:		
(i)	**Statement of profit or loss and other comprehensive income**		
	Profit/(loss) before income tax	1,425,835	1,005,326
	Deconsolidation of TSF Power P/L, Tank Industries Australia Pty Ltd & Syfon Systems Sdn Bhd	(1,072,705)	(785,867)
	Income tax (expense)/benefit	118,741	-
	Profit/(Loss) after income tax	471,871	219,459
	Profit/(Loss) attributable to members of the parent entity	471,871	219,459
(ii)	**Retained earnings**		
	Retained losses at the beginning of the year	(31,884,696)	(32,104,155)
	Profit/(Loss) after income tax	471,871	219,459
	Retained losses at the end of the year	(31,412,825)	(31,884,696)
(iii)	**Statement of financial position**		
	Current assets		
	Cash and cash equivalents	6,835,184	7,274,072
	Trade and other receivables	17,318,927	18,926,304
	Inventories	1,521,052	999,012
	Total current assets	**25,675,163**	**27,199,388**
	Non-current assets		
	Property, plant and equipment	5,720,391	5,117,329
	Deferred tax asset	2,729,611	2,610,870
	Other receivables	6,851,845	5,384,597
	Intangible assets	12,072,010	12,072,010
	Total non-current assets	**27,373,857**	**25,184,806**
	Total assets	**53,049,020**	**52,384,194**
	Current liabilities		
	Trade and other payables and provisions	22,378,407	22,205,638
	Short-term borrowings	1,182,668	1,247,494
	Total current liabilities	**23,561,075**	**23,453,132**
	Non-current liabilities		
	Long-term provisions and other payables	941,227	936,863
	Total non-current liabilities	**941,227**	**936,863**
	Total liabilities	**24,502,302**	**24,389,995**
	Net assets	**28,546,718**	**27,994,199**
	Equity		
	Issued capital	59,809,006	59,712,159
	Reserves	150,537	166,736
	Accumulated losses	(31,412,825)	(31,884,696)
		28,546,718	**27,994,199**

35. Parent entity disclosures

Information relating to the parent entity, EVZ Limited, is as follows:

	Parent Entity 2023 $	Parent Entity 2022 $
(i) Financial position		
Assets		
Current assets	213,473	768,748
Non-current assets	1,639,513	3,449,274
Total assets	**1,852,986**	**4,218,022**
Liabilities		
Current liabilities	281,091	855,622
Non-current liabilities	105,994	122,834
Total liabilities	**387,085**	**978,456**
Net assets	**1,465,901**	**3,239,566**
Equity		
Issued capital	60,099,766	60,009,326
Accumulated losses	(58,633,865)	(56,769,760)
Total equity	**1,465,901**	**3,239,566**
(ii) Financial performance		
Comprehensive income		
Profit/(Loss) for the year	(1,861,799)	(1,737,118)
Transfer from capital profits reserve	-	-
Total comprehensive income/(loss)	**(1,861,799)**	**(1,737,118)**

(iii) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

A deed of cross guarantee between EVZ Ltd (Parent Entity), Brockman Engineering Pty Ltd, Syfon Systems Pty Ltd, and Syfon International Pty Ltd (previously EVZ Energy Pty Ltd) (Group Entities) is enacted and relief was obtained from preparing financial statements for those Group Entities under ASIC Legislative Instrument 2016/785. Under the deed, EVZ Ltd and the Group Entities jointly guarantee to support the liabilities and obligations of the Group Entities. EVZ Ltd and the Group Entities are the only parties to the Deeds of Cross Guarantee and form the Closed Group.

There are no contingent liabilities of the Parent Entity or commitments for the acquisition of property, plant, and equipment by the Parent Entity.

36. Company details

The registered office and principal place of business of:

EVZ Limited is
115/838 Collins Street, Docklands, Victoria 3008
Australia

The principal place of business of:

Brockman Engineering Pty Ltd is:
87 St Georges Road,
Norlane, Victoria, 3214, Australia

Syfon Systems Pty Ltd is:
22 Hargreaves Street,
Huntingdale, Victoria, 3166, Australia

Syfon Systems Sdn Bhd is:
6 & 8, Jalan Angklung 33/20, Shah Alam Technology Park
40460 Shah Alam, Selangor Darul Ehsan
Malaysia

Syfon Systems Pte Ltd is:
1 Coleman Street
10 – 09B The Adelphi
179803
Singapore

Syfon Systems SE Asia, Inc. is:
30/F Burgundy Corporate Tower
Sen. Gil Puyat Avenue, Makati City
Philippines

Syfon Systems Vietnam Co Ltd is:
No. 20, Street No. 7, Tan Kieng Ward
District 7, Ho Chi Minh City
Vietnam

Tank Industries Australia Pty Ltd
16 Redwood Drive,
Dingley, Victoria, 3172, Australia

TSF Power Pty Ltd is:
Unit 3, 74 Glendenning Road,
Glendenning, New South Wales, 2761, Australia

Directors' declaration

The Directors of EVZ Limited declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
(b) the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
(c) in the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2023 and performance of the Group for the year ended on that date; and
(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

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

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Corporations (Wholly owned companies) instrument 2016/785 applies, as detailed in Note 32 to the financial statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

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

Director – Graham Burns

Signed at Melbourne this 28th day of August 2023.

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Independent Auditor's Report

To the Members of EVZ Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of EVZ Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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:

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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 the key audit matter
Revenue from contracts with customers (Note 5 and 21)	
For the year ended 30 June 2023, the Group recognised revenue from contracts with customers of $111,200,389. Revenue for these contracts is recognised over time with reference to the input method to determine revenue to be recognised. In accordance with AASB 15 *Revenue from Contracts with Customer*, revenues from goods and services are recognised based on the completion of performance obligations under each contract. The determination of the appropriate timing of revenue recognition requires estimation of the inputs (costs) remaining in the contract and the expected margins earned on the contracts which require management judgement. This area is a key audit matter due to the high level of estimation and management judgement required to determine the revenue recognised from each contract.	Our procedures included, amongst others: • Obtaining an understanding of the nature of revenue transactions and the process and internal controls at each subsidiary; • Performing a detailed analytical review of revenue and gross margin across the Group; • Selecting a sample of revenue transactions and obtaining the contract or agreements and testing whether the revenue is calculated and recognised appropriately; • Reviewing material work-in-progress at 30 June 2023 to ensure the calculation utilised and the inputs in the calculation are reasonable and reflect the expected profit margin; • Reviewing project margins in the 30 June 2023 work-in-progress compared to actual margins achieved by the business throughout FY23; • Obtaining signed confirmations from project managers to ensure that the status of their individual projects aligns with the Work-in-progress ledger and discussing the performance of material projects with General Managers.; and • Assessing the adequacy of financial report disclosures.

Goodwill impairment (Note 9)

As at 30 June 2023, the Group has goodwill of $12,072,010 across two cash generating units ("CGUs"). The Group is required to perform an annual impairment test of goodwill in accordance with AASB 136 *Impairment of Assets*. The Group estimates the recoverable amount of its CGUs by employing a discounted cash flow model and, in doing so, must determine the following key inputs and assumptions: • forecast cash flows from operations • working capital adjustments; • capital expenditure estimates • discount and growth rates • a terminal value This area is a key audit matter due to high degree of estimation uncertainty by management.	Our procedures included, amongst others: • Assessing management's determination of the Group's CGUs based on our understanding of the nature of the Group's business; • Obtaining management's discounted cash flow model; – Testing the mathematical accuracy of the inputs in managements discounted cash flow model; – Evaluating the key assumptions in the model for reasonableness by obtaining corroborating evidence, including consideration of the reasonableness of the revenue and cost forecasts against historical actuals; – Performing a sensitivity analysis on the key assumptions; – Considering internal valuation expert advice to assess reasonableness of the model and discount rates utilised; and • Assessing the adequacy of financial report disclosures.

Information other than the financial report and auditor's report thereon

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 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Group 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 Group's ability 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_2020.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 pages 10 to 16 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of EVZ Limited, for the year ended 30 June 2023 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 28 August 2023

Additional shareholder information
As at: 9 August 2023

1. Substantial shareholders (More than 5% of total shares held)

Rank	Name	Units Held	% of Total held
1	UBS NOMINEES PTY LTD	23,807,384	19.74%
3	BOND STREET CUSTODIANS LIMITED <SALTER - D79836 A/C>	20,950,000	17.37%
2	AIRLIE BEACH INVESTMENTS P/L AND SIROCCO ASSETS P/L	11,282,149	9.35%
		56,039,533	**46.46%**

2. Distribution of shareholding

Range of Holding			No of Shareholders	Units Held	% of Units
1	to	1000	1,123	322,686	0.27%
1,001	to	5,000	281	670,974	0.56%
5,001	to	10,000	84	622,340	0.52%
10,001	to	100,000	160	5,882,202	4.88%
100,001	and	over	91	113,123,715	93.78%
Company totals			**1,739**	**120,621,917**	**100.00%**

Unmarketable shareholder parcels of less than $500 at $0.1350/unit	1,356	783,653	0.65%

3. Names of 20 largest shareholders

Rank	Name	Holding	% Held
1	UBS NOMINEES PTY LTD	23,807,384	19.74%
2	BOND STREET CUSTODIANS LIMITED <SALTER - D79836 A/C>	20,950,000	17.37%
3	AIRLIE BEACH INVESTMENTS PTY LTD	7,617,149	6.31%
4	BOND STREET CUSTODIANS LIMITED <RSALTE - V38514 A/C>	4,657,500	3.86%
5	BOND STREET CUSTODIANS LIMITED <RSALTE - D62375 A/C>	4,500,000	3.73%
6	SIROCCO ASSETS PTY LTD <ABI SUPERANNUATION FUND A/C>	3,665,000	3.04%
7	ONMELL PTY LTD <ONM BPSF A/C>	2,643,462	2.19%
8	MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	2,545,754	2.11%
9	H&C TRUONG PTY LTD <TRUONG FAMILY SUPER FUND A/C>	2,314,379	1.92%
10	BOND STREET CUSTODIANS LIMITED <RSALTE - V39117 A/C>	2,272,096	1.88%
11	BOND STREET CUSTODIANS LIMITED <RSALTE - V37466 A/C>	2,120,351	1.76%
12	TAYCO INVESTMENTS PTY LTD	2,087,815	1.73%
13	BT PORTFOLIO SERVICES LIMITED <THE AL'N'ALL A/C>	2,032,482	1.69%
14	STF ENTERPRISES PTY LTD	2,016,840	1.67%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,658,200	1.37%
16	ARCHWIN PTY LTD <SHARP RETIREMENT FUND A/C>	1,444,798	1.20%
17	THREE PILLARS INVESTMENT GROUP PTY LTD <BELLGROVE SUPER A/C>	1,416,621	1.17%
18	MR WAYNE STEPHEN GLYNNE + MRS CAROL-ANNE GLYNNE <TUNCURRY SUPERANNUATION A/C>	1,350,000	1.12%
19	MRS CAROL-ANNE GLYNNE	1,050,000	0.87%
20	MS SERENA SALANITRI	1,009,230	0.84%
Total top 20 holders of ordinary fully paid shares		**91,159,061**	**75.57%**
Total remaining holders balance		**29,462,856**	**24.43%**
Total ordinary shares		**120,621,917**	**100.00%**

Additional shareholder information (continued)

4. Voting rights

A registered holder of shares in the Company may attend general meetings of the Company in person or by proxy and on a poll may exercise one vote for each share held. There are no voting rights attached to options for ordinary shares until the options have been exercised.

5. General

The name of the company secretary is Pieter van der Wal.

The address of the principal registered office is:
115 / 838 Collins Street,
Docklands Vic 3008
Telephone: (03) 9545 5288
Email: pieter.vanderwal@evz.com.au

A register of securities is kept at:
Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford, Victoria, 3067
Telephone Number: 1300 137 328

6. Stock exchange listing

The Company's ordinary securities are listed on the Australian Securities Exchange Limited.

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