RESULTS FOR **ANNOUNCEMENT TO THE MARKET**

FOR THE PERIOD ENDED **30 JUNE 2023**

APPENDIX 4E

Company Details

Name of entity:	BSA Limited
ABN:	50 088 412 748
Current reporting period:	For the year ended 30 June 2023
Previous reporting period:	For the year ended 30 June 2022

Results for announcement to the market

	2023 $'000	2022 $'000		Movement $'000	Movement %
Continuing operations					
Revenue from ordinary activities	239,817	244,099	Down	(4,282)	2%
Profit / (Loss) after income tax (expense)/benefit	5,929	(37,858)	Up	43,787	n/m
Discontinuing operations					
Loss after income tax (expense)/benefit	(8,889)	(4,384)	Down	(4,505)	103%
Loss for the period attributable to the owners of BSA Limited	(2,960)	(42,242)	Up	39,282	93%

	2023 Cents	2022 Cents
Basic earnings per share		
From continuing operations	8.292	(7.221)
Total group	(4.140)	(8.057)

Net tangible assets

	2023 Cents	2022 Cents
Net tangible asset backing per ordinary share	(3.689)	(5.252)

Net tangible assets per ordinary security in the comparative period includes balances related to the divested businesses.

Control gained over entities

Not applicable.

Dividends

No dividends were paid or declared

Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued.

Attachments

The Annual Report of BSA Limited for the year ended 30 June 2023 is attached.

30 August 2023

BSA Limited
Annual Report 2023

ABN 50 088 412 748


PEDESTRIANS

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Chairman’s Report

2023 Key Highlights for continuing operations

$239.8 million	**$16.2 million**	**$5.9 million**
Revenue	EBITDA	Net Profit

Dear Shareholders,

I am pleased to present the Chairman’s Letter for BSA’s Annual Report, reflecting on the significant progress and achievements made during a transformative financial year 2023. First and foremost, I want to express my appreciation to our people, customers, shareholders and stakeholders for their continued support. There were significant developments over the past financial year which set the Group up for a much stronger foundation in financial year 2024 and beyond.

PEOPLE AND SAFETY:

It gives me great satisfaction to report that over the year, we have continued to make significant strides in enhancing the well-being of our workforce and fostering a culture of safety and inclusivity. We continue to support initiatives such as “Stop for Safety”, and our Health and Safety Index Survey, with a continued focus on our BSA Safety Absolutes which are our “non-negotiables” to effect worker safety.

We remain dedicated to investing in our employees’ growth and development, providing them with the necessary tools and resources to thrive both personally and professionally. The well-being of our employees will always be a top priority, as we recognize that their dedication and passion are what drives our continued success. Our efforts continue to yield results, particularly in our improved safety measures and we are pleased to report an uptick in our employees’ satisfaction surveys.

FINANCIAL:

I’m pleased to report that our Telecommunications and Smart energy operations have demonstrated robust financial performance, exceeding expectations and greatly recovering the previous dip in profitability in financial year 2022. Through our customer service excellence and trusted delivery partner approach, we have continued to deliver value to our customers which is reflected in our financial results.

The Advanced Property Solutions (APS) Maintain and APS Fire Build QLD have been divested, as announced in November 2022 and May 2023 respectively. Total proceeds received of $21.6 million have substantially improved the Group’s balance sheet, allowing the Group to meet various provisioned legacy costs. These divestments were executed meticulously, ensuring minimal disruption to our other business operations under strong leadership.

By divesting the non-core assets, we have vastly simplified the business, improved overall financial performance by removing unpredictable and low margin work, and also unlocked resources to reinvest in our core strengths. This strategic decision has been instrumental in focusing our efforts.

LEADERSHIP:

The decision to appoint Joint CEOs was part of our strategic plan to strengthen our leadership and bring in diverse perspectives to guide the Group through its next phase of growth. Recognizing the critical role of leadership in our journey of Stabilise, Focus, and Transform, the Board of Directors commenced an executive search to find leaders who possess the vision, experience, and passion needed to lead BSA.

Following this process, Arno Becker and Richard Bartley, both internal candidates, were appointed to the joint CEO role in April this year bringing with them a wealth of experience and a proven track record of success. Both individuals possess a deep understanding of the Telecommunication and Smart energy markets and bring the ability to capitalise on emerging opportunities, such as the electric vehicle industry.

Nicholas Yates

OPERATIONS:

We took a strategic decision to divest non-core, underperforming assets, which has allowed us to shift our focus towards the Telecommunication and Smart energy markets, where we have brand recognition, a proven track record of excellence and a competitive advantage. Divesting the non-core assets was a pivotal move in our journey to Stabilise, Focus, and Transform. This aligns with our vision for sustainable growth and positions us as a more agile and focused Group, well-equipped to capture emerging opportunities in the market. As a result, we are now better positioned to capitalize on opportunities and deliver value to our customers and shareholders alike.

The benefits of reallocating resources efficiently and concentrating on our core competencies are already becoming apparent, and we are excited about the positive impact it will have on our financial performance going forward.

Our success is forged on strong, long-term partnerships with key clients providing them with service excellence, innovative solutions and delivering on our promises. We have a trusted relationship with nbn and are a critical delivery partner in one of Australia's most important infrastructure assets. Going forward we will build on these partnerships with recurring revenue whilst targeting expansion into additional services and new geographies.

Future initiatives underpinning our transformation will focus on the opportunities of the electric vehicle (EV) revolution. The rapid proliferation of EVs presents unique challenges and opportunities in these markets. As a leader in the Telecommunications industry with vast experience of enabling new industry roll outs, we see immense potential to play a pivotal role in the EV ecosystem with our customer experience expertise and national footprint, and by leaning on our electric capabilities developed in the smart energy markets. BSA is actively exploring partnerships and collaborations with EV service providers to design and deploy smart, reliable charging network infrastructure.

Our transformation journey will be underpinned by our commitment to excellence, strategic partnerships, and a customer-centric approach. We are confident that through the combined efforts of our Directors, our newly appointed Joint-CEOs, and the wider BSA team, we will enter a sustainable growth phase.

We are optimistic about our ability to deliver value to our shareholders, generate positive societal impact, and be our customers' trusted partner.

In conclusion, I extend my sincere appreciation to the Board of Directors for their steadfast guidance and to all BSA people for their hard work and dedication. I'm confident that by staying true to our values and embracing our transformation journey, we will achieve success and return value to all our stakeholders.

Thank you for your continued support and I look forward to reporting on more progress next year.

Sincerely,

Nicholas Yates
Chairman of the Board | BSA (ASX: BSA)

Joint CEO Report

Dear Shareholders,

It is our privilege to present to you the annual report of BSA Ltd. As we present the annual report we are reminded of the transformational journey we have undertaken over the last 12 months and acknowledge the unwavering commitment of our teams, clients, shareholders and stakeholders as we move forward.

REVIEW OF OPERATIONS

Over the past 12 months, the Group has undergone a strategic transformation, focusing on divestment to enhance core operations. Group results have shown marginal improvement with continuing operations showing material improvement targeting the next phase of our strategic direction.

BSA continues to diligently implement its three-horizon strategy, which centres around ensuring stability, focus and transformation.

As part of this strategic approach, BSA made a significant move to divest its Advanced Property Solutions (APS) business. APS provided the design, installation, maintenance and optimisation of building services for all hard assets in facilities and infrastructure.

On 23 November 2022, BSA entered into an agreement to divest its APS Maintain business to CBRE Group, Inc. The sale was successfully concluded on 3 February 2023, for $21.7 million before transaction costs.

The proceeds from the sale of APS Maintain have been effectively utilized by BSA to enhance its working capital, enabling the Group to better manage operational costs and strengthen its Balance sheet. This strategic decision consolidates BSA's position in its core market and sets the stage for further development in the Telecommunication and Smart energy sectors and allows for more focused capital deployment.

On 9 March 2023, the Group announced its agreement to divest its APS Fire Build Queensland business to Entire Fire Pty Ltd, a Melbourne based Fire Protection and Mechanical services company. The sale, for nominal consideration, was completed on 16 June 2023, with an effective date of 1 June 2023.

The Group intends to exit the remaining APS Fire Build New South Wales business and has initiated an active program to locate a buyer who can better utilise the strategic value of this asset. Consequently, the assets and liabilities of the APS businesses have been classified as "held for sale" as of 30 June 2023.

TRANSFORM

- Accelerated growth on our terms
- Client partnerships
- Increased shareholder returns

FOCUS

- Key tender targets
- Commercial improvement
- Scalable systems

STABILISE

- Structural optimization
- Return to cash backed profits
- Core system functionality
- Exit low performing platforms, branches and projects

Arno Becker

Richard Bartley

BSA has demonstrated a significant improvement in its core capabilities demonstrating resilience, innovation and adaptability with our clients.

With the successful completion of these two divestments, BSA continues to re-align its focus on Telecommunication and Smart energy markets committing to strategic growth and development. These sectors offer higher growth potential and synergies with our existing portfolio of clients and expertise.

FINANCIAL PERFORMANCE

Group focus, cost discipline and realignment has restored the Earnings before interest, tax, depreciation and amortisation (EBITDA) profile for continuing operations and a marginal overall improvement in Group EBITDA. Focus remains on higher margin work streams and ensuring that all serviced platforms within the business generate appropriate margin.

KEY FINANCIAL RESULTS

	2023 $'000	2022 $'000	Variance $'000
Revenue:			
Continuing Operations	239,817	244,099	(4,282)
Discontinued Operations[1]	124,007	222,261	(98,254)
Total Revenue	**363,824**	**466,360**	**(102,536)**
EBITDA:			
Continuing Operations	16,249	4,107	12,142
Discontinued Operations[1]	(14,316)	(3,996)	(10,320)
EBITDA pre-significant items[2]	**1,933**	**111**	**1,822**

1 The results from the discontinued operations and assets held for sale is included to date of divestment and excludes gain on sale of operations of $6.5 million.

2 No significant items in the financial year 2023 (30 June 2022: total loss items of $43.1 million).

JOINT CEO REPORT

Continuing operations delivered revenue of $239.8 million (30 June 2023: $244.1 million), a marginal decrease compared to prior year. Stable volumes and favourable margin mix delivered a sustainable EBITDA of $16.2 million which is significantly higher than the prior year of $4.1 million.

All platforms have consistently maintained stable volumes. This reflects the segment's ability to maintain operational performance.

In addition to the stable revenue performance, the business put significant focus on ensuring its operating cost base reflected revenue. This effort significantly contributed to the improvement in EBITDA.

The strategic focus on stability, optimization of costs, and capitalizing on a favorable work mix has led to positive financial performance despite a slight decline in revenue compared to the previous year. This approach has been instrumental in demonstrating resilience, achieving positive results, and positioning the segment for sustained growth in the dynamic market landscape.

DISCONTINUED OPERATIONS

Discontinued operations consist of the following operating units:

- APS Maintain, divested 31 January 2023
- APS Fire Build Queensland, divested 31 May 2023
- APS Fire Build NSW, held for sale for the financial year

Prior to sale, the APS Maintain segment margin mix was negatively impacted by reactive revenue returning at lower than expected rates post COVID-19.

The APS Fire segments, which comprise primarily construction contracts, were impacted by poor project performance, partially due to project delays and consequential price increases due to supply chain disruptions.

APS Fire Build NSW has undergone significant commercial and senior management changes during the final quarter of the year which has already had a positive impact on the business. The focus remains on people engagement, winning new work and optimizing commercial outcomes whilst marketing the division for sale.

Reconciliation from EBITDA pre-significant items (non IFRS measure) to Net loss after tax:

	2023 $'000	2022 $'000
EBITDA pre-significant items from continuing operations	**16,249**	**4,107**
Significant items	-	(43,089)
Depreciation and amortisation	(4,245)	(5,481)
Finance costs	(2,382)	(1,451)
Profit/(loss) before income tax from continuing operations	**9,622**	**(45,914)**
Income tax (expense)/benefit	(3,693)	8,056
Profit/(loss) after income tax from continuing operations	**5,929**	(37,858)
Loss after tax from discontinued operations	(8,889)	(4,384)
Loss after income tax for the year	**(2,960)**	**(42,242)**

OPERATING CASH FLOW

The operating cash outflows showed a decline of $4.1 million to $17.9 million, compared to the previous comparative period of $13.8 million.

The net cash outflow for the year was significantly influenced by previously-provisioned legal settlements, totaling $11.0 million, which included the $6.6 million Class Action Tranche 2 settlement payment. The final Tranche of $9.0 million will be paid no later than 30 June 2024.

The Group has also been impacted by significant working capital changes due to customer terms. These terms are now stable and not subject to material change.

During the year, the Group repaid $7.5 million of its borrowings to its financier. BSA continues to manage its cash flows and net working capital balances to minimize utilization of available financing facilities.

BALANCE SHEET AND FUNDING

The Group has $11.0 million of undrawn financing facilities at 30 June 2023, relating to its borrowing base facility, which supports working capital.

In February 2023, the Group's finance facilities with CBA were reduced to align and support the continuing operations of the business post the APS Maintain divestment. The cash advance facility of $6.0 million was removed and the working capital facility of $37.5 million reduced to $15.0 million. The revised facilities are provided on similar terms to the Group's existing arrangements.

OPERATIONAL UPDATE

The nbn Unify Services contract was successfully mobilized towards the end of financial year 2022 with all initial implementation items enabled resulting in no further mobilization costs incurred during the year ended 30 June 2023, which improved profitability. In addition, the business negotiated improved pricing as part of the annual review process. During the second half, favourable margin mix was achieved as volumes increased on the nbn X2P (X2P: Fibre to Node, Fibre to Curb converting to Fibre to premises) roll out which we expect will continue to grow into the future.

Foxtel delivered higher revenue due to volumes driven by the Cable to Satellite transition project. Increased cost control and pricing strategy has led to improved EBITDA margins in the year ended 30 June 2023. Foxtel demand continues to be negatively impacted through the continuous roll out of streaming services.

During financial year 2023, BSA secured and mobilised a smart metering contract with Intellihub with demand gradually increasing over the year. Volumes continue to show strong momentum into 2024. In addition, the existing Vector contract performed strongly. BSA now has partnerships with two key clients in the smart energy space and continues to expand its capability through attracting and growing its electrician resource base.

The Group made its initial entry into the emerging high growth Electric Vehicle ("EV") market with our foundation EV partners including Go Evie, Tesla and Ohmie. Over the next 3 years, the EV market is expected to continue to grow exponentially and BSA capabilities are very well positioned to take advantage of this high growth market with our best-in-class end to end Field Services operating model and our existing and growing electrician resource base. Our EV focus will become increasingly important to our success as we execute our longer-term strategy.

Our Wireless business which services key customers including NSW Telco, TPG and Indarra has a strong pipeline moving into FY2024. In May 2023, a direct contract with Telstra was secured and we are targeting further expansion into wider Telstra scopes in FY2024. Our go forward Wireless strategy has been refreshed to align to the recent structural changes that occurred within the industry following the sale of wireless assets by the Telco carriers to investment/super funds.

WORKPLACE HEALTH, SAFETY AND ENVIRONMENT

During the year ended 30 June 2023, BSA maintained a strong commitment to upholding the health, safety, and wellbeing of its workforce and the community. The Group placed great importance on its core value of 'we work safe and go home safe,' making it a central focus of its operations. BSA's approach to improving health, safety, and environmental performance, as well as fostering a positive organizational culture, was marked by its maturity and strategic planning. These efforts were channeled through a series of noteworthy initiatives, which were strategically aligned with four key pillars:

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

To strengthen safety leadership, BSA partnered with Safety Dimensions to conduct Safety Leadership Training for 40 operational leaders in Sydney and Melbourne during financial year 2023. The training forms part of the BSA Safety Leadership Pathway and is designed to provide leaders with due diligence, values and belief alignment, and the skills and competencies to enhance engagement and influence over the safety and cultural maturity of BSA.

Overview

$239.8m

Revenue for continuing operations

$16.2m

EBITDA FY2023 for continuing operations (CUI division, including corporate).

$43.2m

BSA market capitalisation as at 30 June 2023.

$15.0m

The Group's financing facilities with CBA were reduced to align and support the continuing operations of the business.

$21.6m

Proceeds from the divestment of APS Maintain and APS Fire Build QLD.

3.92

Continuing TRIFR Absolute safety focus

The Health and Safety Index engagement survey diagnostic tool is a workforce engagement survey and scoring system designed to provide statistically reliable feedback, benchmarking and evaluation contributing factors to inform strategic choices on health and safety matters. The completion of this initiative in June 2023 marks the third time BSA has partnered with FEFO Consulting to complete the Index Survey, which was completed in FY2021, FY2022 and now in June 2023. It also aligns to BSA's commitment to shifting its focus from traditional lag indicators such as injury frequency rates to lead indicators such as workforce health and safety engagement scores. Management is very pleased to report an increase in survey results from 75% to 83%.

During financial year 2023, BSA had 21 very passionate and committed employees undergo Mental Health First Aid training and these employees are now accredited "Mental Health First Aiders." This initiative shows BSA's ongoing commitment to the mental health and wellbeing of its workforce.

The Critical Risk Control Check program, initiated early in financial year 2023, became an integral part of BSA's safety practices, ensuring compliance with the Safety Absolutes – the BSA's life-saving rules. With over 5000 critical risk control checks completed since October 2022, BSA reaffirmed its commitment to understanding and addressing factors affecting worker safety and exposure to critical risks.

BSA maintained its accreditation with the Office of the Federal Safety Commissioner and to the relevant safety, environment and quality international management standards through its third-party vendor Best Practice Certification.

Lost time and total recordable injury frequency rates (LTIFR and TRIFR) remained stable as BSA pivoted towards focusing on lead key performance measures. For the BSA Group (including discontinued operations up until divestment date), LTIFR increased marginally from 2.83 to 2.92 whilst TRIFR decreased from 6.23 to 5.48.

Overall, BSA's dedication to proactive safety measures, strong leadership, and employee wellbeing initiatives demonstrate its continuous efforts to foster a safe and healthy work environment, reinforcing its commitment to excellence in health, safety, and environmental performance.

COMMUNITY AND DIVERSITY:

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

BSA's first Reconciliation Action Plan (RAP) was endorsed in March 2023 by Reconciliation Australia. Our Reflect RAP demonstrates our commitment to scope and further develop relationships with Aboriginal and Torres Strait Islanders within the sphere of our influence and continually to grow awareness internally with our employees.

We believe in doing our part to reduce climate change. BSA has commenced the journey to develop our climate strategy to understand, mitigate, and manage the financial and reputational risks that impact our business and our ability to serve our customers.

We are in the process of completing the first step in our emissions reduction journey by conducting an inventory of our greenhouse gas emissions.

JOINT CEO REPORT

Diversity & Inclusion ("D&I") has remained a focus area for BSA in FY2023. The Plan outlines our approach and collaborative partnership with Reconciliation Australia, it also sets out the actions we have committed to as we progress through our reconciliation journey.

Our vision for our First Nations' Engagement Plan is to:

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

BSA employees participated in the National Reconciliation Week 2023 and attended NSW's NRW Virtual Breakfast to learn more about becoming a voice for generations.

In FY2023, we also continued our focus on gender diversity. The Group has sustained its female participation rates across senior leadership positions and across the Group. BSA continues to target improved gender balance across the group. This focus will continue across the business in FY2024.

Our four key approaches to diversity remain unchanged and include:

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

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

Employees completed Anti-bullying & Anti-harassment training, Discrimination training and Equal employment opportunity training during the year ended 30 June 2023.

We have zero tolerance for discrimination and train all our employees on discrimination and harassment in the workplace. If an employee feels they are the victim of discrimination or harassment, we have a clearly outlined procedure to follow so that the issue is brought to light and can be dealt with in accordance with our discrimination and harassment policy. This process includes defined escalation for the reporting of incidents and includes corrective or disciplinary action to be taken when discriminatory behaviour or harassment is identified.

Leaders and managers are expected to engage in non-discriminatory practices in hiring, promotion, and performance-management.

BSA acknowledges our employees' right to freedom of association, to include the right to form and join trade unions and the right to participate in lawful activities of association. All employees were engaged on individual employment agreements in the 2023 financial year.

OUTLOOK & GROWTH

Financial year 2023 was a transformative year, divesting non-core assets, returning to sustainable EBITDA returns and ensuring customer focus. BSA will continue to partner with its cornerstone customers and deliver their expansion into new services across Australia. We also recognize the shift into sustainable transportation and are strategically embarking into the EV charging space. This expansion aligns with our values of environmental responsibility.

In the near term we expect to deliver similar revenues and margins as we did in FY2023. In the longer term we will confirm our strategic intent into new markets and aim to deliver double digit EBITDA margins to shareholders.

CONCLUSION

As we reflect on the achievements of the past year, we remain focused on our long term goals to significantly increase shareholder value underpinned by our company values. We continue to partner with our clients and successfully adapt to changing market dynamics. We remain committed to our three horizon path which we continue to execute.

Thank you for being an integral part of BSA's journey.

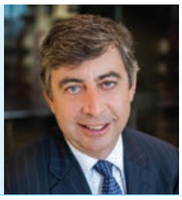
Yours sincerely,

Arno Becker　　Richard Bartley

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'BSA') consisting of BSA Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

BOARD OF DIRECTORS

BSA Limited's board of directors comprises seasoned individuals who bring a wealth of knowledge and expertise from diverse fields. Their collective proficiency, grounded in industry experience, underscores the Group's commitment to effective corporate governance and strategic leadership.



NICHOLAS YATES
CHAIRMAN

Mr Yates graduated with a Bachelor of Engineering (Mechanical) from the University of Sydney and went on to forge an extensive career spanning the construction, building services and facilities management industries. Commencing as a site engineer overseeing mechanical services installations, Nicholas then progressed through various management roles within Lend Lease and eventually moved on to become CEO of APP Corporation Pty Limited, Australia's leading Construction Project Management consulting business. When APP was acquired by Transfield Services, Nicholas moved into a series of leadership roles within Transfield Services, most recently Chief Executive Officer, Infrastructure ANZ.

On 13 March 2014, he was appointed as the Managing Director and Chief Executive Officer of BSA, a role he held until his retirement on 9 March 2020. Despite stepping down from his executive position, he continues to play an essential role in the company as a Non-executive Director.

Nicholas was appointed as the Interim Chair of the BSA Board on 29 March 2022. His dedication and commitment were further acknowledged on 1 April 2023, when he was appointed as the Chairman of the BSA Board, reaffirming his ongoing commitment to the Group's growth and success.

Other current directorships: Saunders International Limited (ASX:SND)

Special responsibilities: Member of Remuneration Committee

CHRISTOPHER HALIOS-LEWIS
NON-EXECUTIVE DIRECTOR

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

Special responsibilities: Member of Audit Committee

As at 30 June 2023 and at reporting date, Birketu Pty Limited holds 12,014,359 shares and 2,867,389 options in BSA Limited.

DAVID PRESCOTT
NON-EXECUTIVE DIRECTOR

Mr Prescott is the founder, Managing Director and Portfolio Manager of Lanyon Asset Management, a value-oriented equities fund manager. He has over 20 years investing and financial analysis experience working for firms in Australia and the UK. David was previously Head of Equities at institutional fund manager, CP2 (formerly Capital Partners). David has an Economics degree from the University of Adelaide, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA) and is a CFA Charterholder.

David was appointed as a Non-executive Director on 3 June 2019.

Special responsibilities: Chairman of the Remuneration Committee

At 30 June 2023 and at reporting date, Lanyon Asset Management holds 16,034,119 shares and 3,826,759 options in BSA.

MICHELLE COX
NON-EXECUTIVE DIRECTOR

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

Michelle is currently a Non-executive Director on the board of tourism adventure company Experience Co (ASX:EXP) (appointed 1 January 2020), and continues to be a shareholder in the tourism marketing consultancy firm The Linchpin Company. Michelle was appointed to BSA as a Non-executive Director on 30 July 2021.

Special responsibilities: Member of Audit Committee

BRENDAN YORK
NON-EXECUTIVE DIRECTOR

Mr York is a Chartered Accountant and a Bachelor of Business Administration and Commerce. He has over 20 years of managerial, accounting and reporting expertise in Executive and Non-executive roles. Currently, Brendan is a portfolio manager for NAOS Asset Management Limited and most recently was the Chief Financial Officer and Company Secretary of Enero Group Limited (ASX: EGG). Brendan is a Non-executive Director of Big River Industries Limited (ASX:BRI), Non-executive Director of Saunders International Limited (ASX:SND), a Non-executive Director and Chair of the Audit Committee for Wingara AG Limited (ASX:WNR), a Non-executive Director and Chair of the Audit Committee for BTC Health Limited (ASX:BTC), and a Non-executive Director of Mitchcap Pty Limited. Brendan was appointed to BSA as a Non-executive Director on 16 November 2021.

Special responsibilities: Chairman of the Audit Committee

At 30 June 2023 and at reporting date is a Portfolio Manager of NAOS Asset Management which holds 26,335,778 shares and 7,140,057 options in BSA.

DIRECTOR INDEPENDENCE

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

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

PERFORMANCE OF DIRECTORS

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

COMPANY SECRETARY

Arno Becker – appointed 15 May 2023
Graham Seppelt – resigned 15 May 2023

CORPORATE GOVERNANCE

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

MEETINGS OF DIRECTORS

During the year ended 30 June 2023, the number of meetings for BSA's Board of Directors and its committees, along with the level of participation by each Director, were as follows:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held
Nicholas Yates	12	14	-	-	4	4
David Prescott	12	14	-	-	4	4
Christopher Halios-Lewis	14	14	4	4	-	-
Michelle Cox	11	14	4	4	-	-
Brendan York	14	14	4	4	-	-

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

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

INDEMNIFYING OFFICERS OR AUDITORS

During the financial year, BSA Limited paid a premium to insure the directors and secretaries of the company and its controlled entities, and the executives of each of the divisions of the group.

The insurance does not provide cover for the independent auditors of the Company, or of a related body corporate of the Company. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract. No liability has arisen under this indemnity as at the date of this report.

ISSUE OF SHARES

On 29 July 2022, the Group issued 1,125,457 ordinary shares at 5.6 cents per share. These shares were issued following the vesting and conversion of performance rights, which were based on performance metrics achieved during the year ended 30 June 2020. The performance rights were also subject to a service condition, which expired in the year ended 30 June 2022. The newly issued ordinary shares have the same rank as existing shares, treating all shareholders equally.

On the 29 November 2022, the Group undertook a consolidation of shares on a 1 for 8 basis. This consolidation reduced the total number of shares from 572,066,780 to 71,508,980. Additionally, in accordance with the 1:8 consolidation, 134,364,003 listed options were consolidated to 16,795,572 listed options.

OPTIONS

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

Grant Date	Expiry Date	Exercise Price (cents)	Number under Option
11 May 2022	30 April 2025	80.0	16,795,572

* On the 29 November 2022, the Group undertook a consolidation of shares on a 1 for 8 basis.

RIGHTS

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

Grant Type	Grant Date	Date of Expiry	# Rights	Fair value at grant date (cents)
PRP Plan (Service Rights)	21 November 2022	21 November 2037	982,154	0.38
PRP Plan (Service Rights)	27 February 2023	27 February 2038	191,278	0.64
PRP Plan (Perfprmance Rights)	1 April 2023	1 April 2038	512,646	0.59

All rights outlined above have a $nil exercise price. During the year ended 30 June 2023, there were no rights granted under the BSA Limited NED Fee Salary Sacrifice Plan.

KEY RISKS

BSA recognizes and deals with a variety of financial and non-financial risks and has a framework in place to enable the Group to assess and manage risk on an ongoing basis. Neither the risks listed below, nor their mitigating actions are a comprehensive list.

Risk	Description	Actions
Strategic and Operational risk	Effective working capital management and ensuring overall Balance Sheet control. Operations span across construction, contract and work force management. Delivery of financial and operation performance in line with market and financier expectations is critical. Failure to effectively manage operations will impact going concern assumptions of the Group.	• Legal and risk frameworks adopted. • Financial review framework in place. • Open and honest communication with financiers.
Safety	Our workforce activities expose them to various risks. These risks may result in fatality, disablement, or long-term lost time injuries according to best practice and is further underpinned by the BSA Safety Essentials which aims to address the most prevalent risks.	• Safey is BSA's cornerstone value underpinning all our operations. • The Group continuously communicates safety issues and changes in requirements. • BSA fosters a culture of accountability and empowers decision makers to mitigate risks. • Mandatory safety training, toolbox talks and focus areas are rolled out.
Financial, Compliance and Regulatory risk	The Group is required to comply with several laws, regulations, rules and licensing conditions. Failure to comply may lead to penalties, severe financial impacts, legal cases and reputational damage.	• Engagement with regulators in an open and transparent manner. • Legal and compliance teams established to address changes. • Mandatory training across multiple items.
Client concentration	The Group's reliance on a limited number of key clients, especially in the telecommunications sector, for generating revenue and profitability. The concentration with clients is inherent to operating in the Australian telecommunication market that has a consolidated network.	• Despite this inherent concentration, Management and the Board maintain a vigilant stance and proactively monitor factors that could potentially disrupt or delay the flow of work from these major customers. • Strategies aimed at actively diversifying the Group's income streams. • Development and offering of a broader range of services, extending geographic coverage and entering into new markets.
Cyber security and technology	The likelihood of cyber-attacks escalating is driven by the growing sophistication and resources of cybercriminals. The Group is at risk of experiencing a cyber-attack that has the potential to severely disrupt customer services, compromise the privacy of customer data, and create instability within financial systems.	• BSA establish cyber security capability. • Obtained ISO270012 accreditation.
Ability to Attract and Retain Key Personnel	BSA is dependent on attracting and retaining key personnel due to historically low unemployment and inflationary wage pressures in the market. Additionally, the Group recognizes the importance of having access to a skilled pool of subcontractors across Australia to efficiently carry out field-based work for its clients.	• Proactively implemented various strategies to enhance the Group's employee value proposition. • Roll-out of suitable incentive arrangements, introducing retention bonuses, and actively engaging employees in employee development, talent identification, and succession programs.

NON-AUDIT SERVICES

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

Details of the amounts paid or payable to the auditor for audit and non-audit services during the year are set out in note B3 to the financial statements.

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

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement

APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditors own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all, or part, of those proceedings.

AUDITORS INDEPENDENCE DECLARATION

The lead auditors' independence declaration for the year ended 30 June 2023 as required under section 307c of the Corporations Act 2001 (Cth) has been received and can be found at the end of this Directors' Report.

ROUNDING OF AMOUNTS

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

SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2023 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

REVIEW OF OPERATIONS

The Operating and Financial Review is set out on page 6 of this annual report and incorporated into the Joint-CEO Report.

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1. REMUNERATION HIGHLIGHTS

BSA Limited's Remuneration Report for the year ended 30 June 2023 reflects the remuneration of its Key Management Personnel and Non-Executive Directors and emphasizes the connection between performance and reward outcomes for the financial year. The report also highlights strategic changes made in preparation for the future. Key highlights are as follows:

Changes to Leadership Team

Effective 1st April 2023, BSA Limited appointed Arno Becker as CFO and joint CEO, alongside Richard Bartley as COO and joint CEO, following a CEO search process aimed at identifying the best candidates to lead the Group's next phase of growth. We welcome Arno and Richard, both internal candidates equipped with the skills and knowledge to the lead the Group. We recognise their synergistic skill sets, industry knowledge, and commitment to the Group's success.

In addition to a review of total fixed remuneration, as well as new short-term and long-term incentives, the newly appointed Joint CEOs were granted 256,323 sign-on performance rights each, signalling commitment to their vision and leadership. The performance rights will vest equally on 30 June 2024 and 30 June 2025 based on service conditions and achieving defined earnings per share (EPS) growth targets in those years compared to the respective previous year.

Group Performance

The Group faced significant challenges in FY2023, primarily in relation to divested and held for sale operations and the Group was unable to achieve its targets for the year ended 30 June 2023. However, the CUI business unit demonstrated exceptional performance, materially ahead of its budget for the year and in such case the Remuneration Committee considered appropriate incentives relating to FY2023 for that business unit.

Resetting for the Future:

In line with strategic planning, BSA Limited made the decision to divest its loss-making divisions (APS) and focus on Telecommunication and Smart energy solutions sectors. This forward-looking move aims to position the Group for future growth and profitability by streamlining operations and focusing on core strengths.

Recognizing the strategic significance of the successful divestment of APS Maintain and the proceeds received from this transaction assisting to satisfy material historical incurred liabilities, the Remuneration Committee has awarded a $100,000 cash bonus and the issue of 191,278 service rights to Arno Becker (these service rights have a fair value of $122,418). These service rights vest equally in two tranches at 30 June 2023 and 30 June 2024.

The remuneration report acknowledges these outcomes and is designed to support the Group's strategic direction by incentivizing and rewarding performance while retaining top talent. It aligns with BSA Limited's goal of preparing for the future and maintaining a strong leadership team to drive the Group's growth and prosperity.

2. INTRODUCTION

This remuneration report sets out the remuneration of Key Management Personnel (KMP) for the year ended 30 June 2023. This report forms part of the Directors' Report and has been audited in accordance with section 308(3C) of the Corporations Act 2001 and Australian Accounting Standards.

The report sets out the remuneration arrangements for the Group's Key Management Personnel ('KMP'), comprising its Non-executive Directors ('NED') and Joint Chief Executive Officers ('CEO'), who together have the authority and responsibility for planning, directing and controlling the activities of the Group.

The KMP in the year ending 30 June 2023 are listed below.

Name	Position	Term as KMP
Non-executive Directors		
Nicholas Yates	Independent Chair	Appointed Chair 1 April 2023, previously Interim Chair
Michelle Cox	Independent Director	Full term
David Prescott	Director	Full term
Christopher Halios-Lewis	Director	Full term
Brendan York	Director	Full term
Group Executive		
Arno Becker	Interim Chief Executive Officer and Chief Financial Officer	15 April 2022 – 30 March 2023
	Joint Chief Executive Officer and Chief Financial Officer	Commenced 1 April 2023
Richard Bartley	Joint Chief Executive Officer and Chief Operating Officer	Commenced as KMP on 1 April 2023

There have been no changes in KMP between the end of the reporting period and publication of the Annual Report.

3. REMUNERATION GOVERNANCE

BSA has a robust remuneration governance structure, with a separate Remuneration Committee to support the Board. The Remuneration Committee is tasked with ensuring BSA's people strategy including our remuneration framework, policies and practices are aligned with BSA's values, strategic objectives and good governance principles.

Non-executive Directors attend all Board meetings and are invited to committee meetings where they are not members. Members of the Remuneration Committee are fully informed of any issues or discussions arising during the Audit and Risk Management Committee meetings, and vice versa, enabling a comprehensive assessment of any relevant risk considerations in remuneration decision making.

BOARD

The remuneration of NED and Executives is ultimately approved by the Board. Recommendations for the remuneration of NED and Executives is provided by the Remuneration Committee.

With advice and support of the

REMUNERATION COMMITTEE

The Remuneration Committee is the key governing body with respect to remuneration matters within the Group. It oversees NED, Executives and Group-wide remuneration quantum and structure. The Corporate Governance Statement and the Remuneration Charter provides further information on the role of this committee.

MANAGEMENT

Makes recommendations and provides relevant information to the Remuneration Committee and undertakes work as directed by the Remuneration Committee, including the use of external advisers where appropriate.

EXTERNAL ADVISERS

The Remuneration Committee engages and considers advice from independent remuneration consultants where appropriate in relation to Executive remuneration matters and NED fees.

External and independent advice

BSA may engage external consultants for market data on salary benchmarking and relevant pay practices. No recommendations in relation to Executive's remuneration were provided during the year.

4. REMUNERATION PRINCIPLES

Our purpose, values and remuneration principles

BSA purpose is to be our clients' indispensable partner for the design, delivery and management of innovative asset solutions.

BSA is a people business and our team members play a key role in bringing our organisation values to life through their actions and behaviours. Our values reflect our culture and have a lasting impression on our customers and the communities we serve.

BSA values

BSA is dependent on large and complex workforce. Our approach is simple – Right technician – Right place – Right time.

Remuneration principles

To execute its vision BSA's remuneration principles aim to:

- Attract, motivate and retain high-calibre Executives and employees
- Align the creation of long-term shareholder value and achievement of Group goals in pursuit of its vision
- Provide market-specific competitive rewards
- Tailor reward to the unique requirements of the role and the employee's contribution to BSA's long-term success
- Provide appropriate rewards, in line with Group and individual performance
- Have highly engaged executives

5. EXECUTIVE REMUNERATION FRAMEWORK AND OVERVIEW OF INCENTIVE PLANS

Executives are remunerated with a combination of fixed and long-term compensation. The following table provides a summary of the key elements of the remuneration framework.

Fixed annual remuneration (TFR)	Variable remuneration	Deferred Incentive
Purpose		
The main objective is to attract and retain high quality executives by offering competitive and equitable compensation.	A portion of the remuneration is designed to be variable, taking on an element of risk and directly linked to achieving predetermined targets for both financial and non-financial metrics that align with BSA's strategic priorities.	By nurturing their dedication and aligning their goals with long-term success, the organization aims to retain them as valuable assets for an extended period.
Delivery		
TFR for Executives encompasses the base salary, benefits, and statutory entitlements, including Superannuation. The TFR is subject to an annual review to ensure it is competitive with the market and reflects the responsibilities of the position. The terms of employment do not include guaranteed base pay increases.	Variable remuneration for Executives includes participation in the BSA Performance Reward Plan (PRP), consisting of two components:	
	Short Term Incentive (STI): Comprising 50% of the PRP, the STI is paid to the Executives in cash.	Deferred Incentive (DI): Comprising 50% of the PRP, the DI is a grant of service rights and is subject to a 24-month service condition. Upon meeting the service vesting conditions, the service rights convert to ordinary shares, granting the Executives ownership rights in the Group.

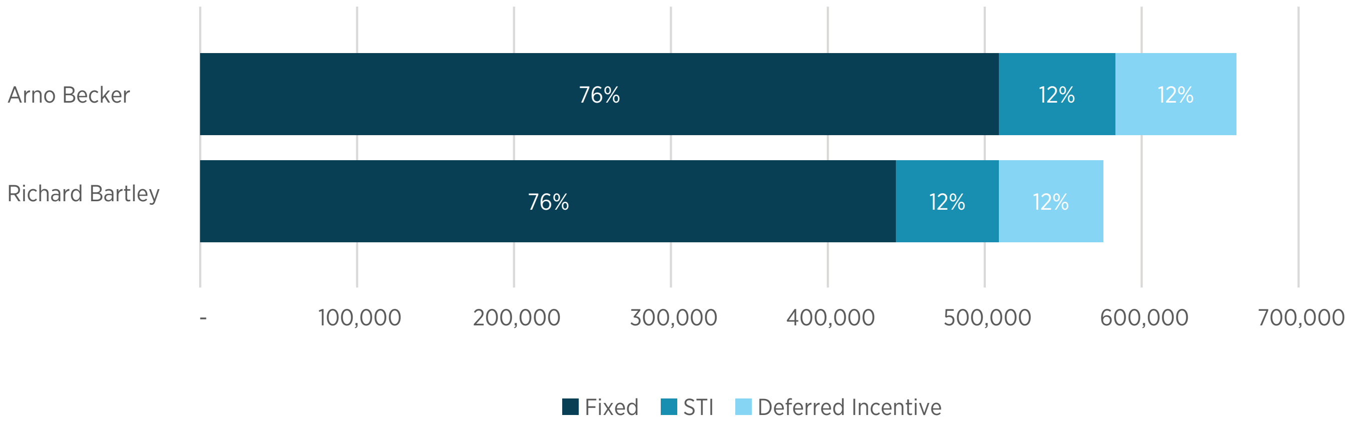
REMUNERATION REPORT

Alignment to performance		
The remuneration amount and structure are regularly reviewed to ensure they remain competitive in the market, considering the responsibilities and experience of the Executives in their respective roles.	Each Executive's performance is directed towards specific Key Performance Indicators (KPIs) that are directly relevant to their respective roles. These KPIs are well-defined and have undergone approval by the Remuneration Committee. The KPIs cover various areas, including safety, financial performance, people management, and customer metrics. This approach ensures that each Executive's objectives align with the organization's strategic priorities in these critical domains. By defining clear and measurable KPIs, the organization provides executives with a focused roadmap for achieving success in their roles	Deferred Incentives include retention requirements for up to two years from the commencement of the financial year on which the at-risk variable reward is determined.

The Remuneration Committee retains the ability to pay a discretionary award with any award made under discretionary considerations outlined in section 6.

Remuneration Mix

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



Service agreements

Remuneration and other terms of employment for Executives are formalised in service agreements

Service agreement terms	
KMPs	Arno Becker and Richard Bartley
Term of agreement	No fixed term but subject to termination provisions
Total fixed remuneration	$442,000 per annum (inclusive of statutory superannuation), effective from 1 April 2023.
Termination provisions	4 months notice by either the joint CEO or the Company other than where employment is terminated for cause in which case the Company may terminate with no notice period.
Post employment restrictions	Both Arno Becker and Richard Bartley will be subject to post-employment restraints (both non-compete and non-solicitation) for a maximum of 12 months.

6. INCENTIVE PLAN OPERATION

Employee Performance Rights Plan

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

Feature	Description
Delivery	Delivered as a combination of cash (50%) and deferred equity (50%).
Performance period	Annual financial year, 1 July to 30 June the following year.
Eligibility	The Executives participate in the PRP. Various other senior management within the Group are also eligible for the PRP.
Target PRP reward as % of TFR	30% (note: Other senior management within the Group have target PRP ranges between 10% and 30% of TFR).
Performance measures	A Board approved EBITDA Gateway ('Group Budget') must be achieved to trigger any payments under the PRP. These metrics are as follows:

Threshold	PRP Bonus Available (% of target available for assessment against Executives KPIs)
Below 90% Group budgeted EBITDA	0%
90% Group budgeted EBITDA	60%
100% Group budgeted EBITDA	100%
120% Group budgeted EBITDA	120%

Once the EBITDA gateway is met and scaled as noted above, a participant's individual PRP award is determined based on individual KPIs. For Executives these KPIs are as follows:

KPI	Why measure was chosen
Safety: site visits and inspections and incident deep dives	Supports BSA commitment to safety.
Financial: Group EBITDA	Balances performance to ensure that business has underlying profitability
Financial: Cash Conversion	Ensures the business optimises its cashflow
People: Retention and engagement	BSA is a people business. These metrics reflect the ability of BSA to retain and engage its workforce to service its clients.
Other project specific individual KPIs	Allows for individual outcomes which benefit the Group

Feature	Description
Deferred Incentive vesting criteria	The deferred Service Rights are conditional and only vest if the Executive remains employed by the Group up to and including two financial years after the end of the year in respect of which the award is calculated (i.e. for FY2023 deferred service rights the Executive is required to be employed up to and including 30 June 2025). The Deferred Incentive is primarily via an issue of Service Rights which convert to shares once the Executive has met the service vesting conditions. These Service Rights are governed by the BSA Limited Rights Plan Rules. Under the Plan rules the Remuneration Committee retains discretion to award the Deferred Incentive as either cash or as Service Rights.
Valuing deferred awards	The number of Service Rights issued to participants is calculated by dividing 50% of the PRP award dollar value by the volume weighted average price ('VWAP') of the Group's ordinary shares over the 10 trading days subsequent to the release of the Annual Report for the relevant financial year on which the PRP outcomes was determined.
Board discretion	The Board may exercise discretion to adjust the PRP outcomes to more appropriately reflect the performance of the Group. The Board also retains discretion to adjust vesting outcomes in any circumstances to ensure they are appropriate.
Termination	In the event of cessation of employment, an Executive's unvested PRP Deferred Incentive will ordinarily lapse if within the first twelve months of service post issue of the Incentive, will vest in a pro-rata basis for the subsequent twelve-month period and will not be forfeited if the Executive is made redundant. The intended vesting outlined above is subject to Board discretion which may be exercised in circumstances such as death, disability, retirement, redundancy or special circumstances.

The Remuneration Committee is responsible for assessing whether the targets are met. Targets are set at the beginning of each financial year and are set for the year. Incentive payments are adjusted in line with actual performance versus target performance levels.

In FY2023, the Remuneration Committee elected to consider Group performance excluding divested (APS Maintain and APS Fire Build QLD) and held for sale assets (APS Fire Build NSW) when determining the Board approved EBITDA Gateway. This was due to continuing operations being managed separately from discontinued operations and the overall Group performance not reflecting the efforts of management in building a sustainable, focused and profitable go-forward business for FY2024.

7. NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive Directors (NEDs) receive fixed remuneration by way of cash fees. The NEDs are entitled to participate in the Non-executive Director Fee Sacrifice Equity Plan ('NED Plan') as outlined below.

NED fees reflect the demands made of, and the responsibilities and skills of the NEDs.

NED fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $750,000 per annum and was last approved by shareholders at the AGM on 16 November 2021.

All NEDs have open agreements with no fixed term.

Following the divestment of APS Maintain and APS Fire Build QLD, the Board has recognized the smaller Group size and acted accordingly by making adjustments to Director fees. This decision reflects the Board's commitment to aligning remuneration with the Group's current scale and responsibilities. The following table outlines the base NED fees. Fees are inclusive of statutory superannuation.

	Total $
Chair	115,000
Other Non-executive Directors	75,000

Fees are inclusive of statutory superannuation.

Non-executive Director Fee Sacrifice Equity Plan

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

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

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

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

8. BUSINESS PERFORMANCE AND AT-RISK REMUNERATION OUTCOMES

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

	FY2023	FY2022	FY2021	FY2020	FY2019
EBITDA pre-significant items	1,933	111	23,122	25,880	24,612
EPS for the group - cps	(4.140)	(8.057)	0.341	1.811	2.523
Closing Share Price ($) [1]	0.600	0.069	0.325	0.300	0.325
Dividend declared per share (cents)	-	-	1.0	1.0	0.5

1. In FY2023, the share price impacted by consolidation of shares on a 1 for 8 basis.

Performance related bonuses are calculated as: performance related cash and share-based payments as a percentage of total KMP remuneration as disclosed in the Remuneration Report.

FY2023 incentive outcomes

Name	Arno Becker	Richard Bartley
PRP Target % of TFR	30%	30%
PRP Stretch Target % of TFR	6%	6%
Total % of TFR available under PRP	36%	36%
Actual % of TFR achieved	11.3%	33.9%
Forfeited % of TFR [8]	24.7%	2.1%
PRP Cash (50%)[1]	24,919	74,919
PRP Deferred Rights (50%)[2]	24,919	74,919
PRP Amount	**49,838**	149,838
Outperformance Incentive [3]	-	100,000
Total FY2023 performance Incentive	**49,838**	**249,838**
% of TFR [4]	11.3%	56.5%
Cash Retention [5]	150,000	100,000
Transaction Incentive [6]	150,000	-
Total Incentives FY2023	**349,838**	**349,838**
% of TFR	79.1%	79.1%

1. PRP Cash is paid within 4 months of the completion of the financial year.
2. PRP Deferred Rights are subject to a 2-year service condition following the completion of FY2023 before they are converted into ordinary shares.
3. Outperformance incentive represents a discretionary bonus awarded in relation to the achievement of performance targets in excess of the PRP stretch targets. For Richard Bartley, the Board considered the performance of the CUI division in isolation to the divested divisions in BSA.
4. TFR represents total fixed remuneration as at 30 June 2023. Both Arno Becker and Richard Bartley received differing amounts of remuneration prior to their appointments as Joint-CEOs on 1 April 2023.
5. Cash retention represents cash incentives received during FY23 for the completion of respective service periods.
6. Transaction incentive represents an incentive granted to Arno Becker following the completion of the APS Maintain divestment. The incentive was $100,000 in cash and approximately $100,000 in service rights of which 50% vested in the FY23 year.
7. Richard Bartley was a KMP from 1 April 2023 however the above table represents incentive outcomes for the full financial year 2023.
8. Forfeited % of TFR represents the KPI achievement adjusted element of the PRP plan.

9. REMUNERATION OUTCOMES

2023	Short-term benefits		Post employment	Long-term benefits	Share-based payments		
	Cash salary & fees	Cash Bonus	Super-annuation	Long Service Leave	Rights	Rights	Total
	$	$	$	$		%	$
Non-executive Directors							
Nicholas Yates	141,965	-	14,906	-	-	-	156,871
Christopher Halios-Lewis	87,420	-	-	-	-	-	87,420
David Prescott	87,420	-	-	-	-	-	87,420
Michelle Cox	79,113	-	8,307	-	-	-	87,420
Brendan York	87,420	-	-	-	-	-	87,420
	483,338	-	23,213	-	-	-	506,551
Key management personnel							
Arno Becker	447,145	274,919	25,292	6,738	100,036	11.7%	854,130
Richard Bartley[1]	113,079	274,919	6,323	2,760	23,525	5.6%	420,606
	560,224	**549,838**	**31,615**	**9,498**	**123,561**		**1,274,736**
Total	**1,043,562**	**549,838**	**54,828**	**9,498**	**123,561**		**1,781,287**

1 Richard Bartley commenced as Joint CEO and COO on 1 April 2023. His TFR remuneration has been included from this date, whereas his FY2023 incentives have been included for the full year.

The value of rights was determined as the fair value of the performance rights at the grant date and the value disclosed is the portion of fair value recognised as an expense in the reporting period.

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

1. Nicholas Yates commenced as Interim Chair on 3 March 2022 and received the Chair fee from this date and prior to this was a Non-executive Director for the full year.
2. Michelle Cox commenced as a Non-executive Director on 30 July 2021.
3. Brendan York commenced as a Non-executive Director on 16 November 2021.
4. Michael Givoni retired as Chair and a Non-executive Director on 3 March 2022.
5. Paul Teisseire retired as a Non-executive Director on 16 November 2021.
6. Arno Becker commenced as Interim CEO on 15 April 2022. Refer to Section 8 for further details on fixed remuneration arrangements both as CFO and Interim CEO.
7. Timothy Harris ceased as CEO and an Executive Director on 29 April 2022

10. OTHER STATUTORY DISCLOSURES

Movements in Rights

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

Name	Balance at 30 June 2022 # Rights	Granted # Rights	Vested # Rights	Vested %	Forfeited # Rights	Balance at 30 June 2023 # Rights
Arno Becker	63,941	447,601	63,941	100%	-	447,601
Richard Bartley	-	256,323	-	-	-	256,323

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

Details of rights granted are provided below:

Name	Plan	Tranche	Grant Date	Vesting Date	Expiry Date	# Rights Granted	Fair value per right $	Total Fair Value $
Arno Becker	Transaction Bonus	FY2023	27 February 2023	30 June 2023	27 February 2038	95,639	0.64	61,209
Arno Becker	Transaction Bonus	FY2023	27 February 2023	30 June 2024	27 February 2038	95,639	0.64	61,209
Arno Becker	Sign on	FY2024	1 April 2023	30 June 2024	1 April 2038	128,162	0.59	75,615
Arno Becker	Sign on	FY2025	1 April 2023	30 June 2025	1 April 2038	128,161	0.59	75,615
Richard Bartley	Sign on	FY2024	1 April 2023	30 June 2024	1 April 2038	128,162	0.59	75,615
Richard Bartley	Sign on	FY2025	1 April 2023	30 June 2025	1 April 2038	128,161	0.59	75,615

Movements in Shares

Name	Balance at 30 June 2022 # Shares	Rights exercised # Shares	Share consolidation[5] # Shares	Other Transactions # Shares	Balance at 30 June 2023 # Shares
Non-executive Directors					
Nicholas Yates	4,753,483	-	(4,159,297)	-	594,186
Christopher Halios Lewis [1]	-	-	-	-	-
David Prescott [2]	-	-	-	-	-
Michelle Cox	-	-	-	-	-
Brendan York [3]	-	-	-	-	-
Key management personnel					
Arno Becker	-	63,941	(55,948)	-	7,993
Richard Bartley [4]	-	-	-	16,729	16,729

1 Christopher Halios-Lewis is the Chief Financial Officer of Birketu Pty Limited which holds 12,014,359 shares and 2,867,389 options in BSA Limited at 30 June 2023.

2 David Prescott is the Managing Director and Portfolio Manager of Lanyon Asset Management which holds 16,034,119 shares and 3,826,759 options in BSA Limited at 30 June 2023.

3 Brendan York is a Portfolio Manager of NAOS Asset Management which holds 26,335,778 shares and 7,140,057 options in BSA Limited at 30 June 2023.

4 Richard Bartley commenced as Joint CEO and COO on 1 April 2023, shareholding have been included in Other on that date.

5. On the 29 November 2022, the Group undertook a consolidation of shares on a 1 for 8 basis.

11. OTHER TRANSACTIONS WITH KEY MANAGEMENT

There were no other transactions or loans to Executives during the year ended 30 June 2023 and 30 June 2022.

12. VOTING OF SHAREHOLDERS LAST YEAR'S ANNUAL GENERAL MEETING

BSA received 99.7% of "yes" votes on its remuneration report for the 2022 financial year. The Group did not receive any specific comments at the AGM or during the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

APPROVAL OF DIRECTORS' REPORT

This report is made in accordance with a resolution of the Directors

Nicholas Yates
Chairman of the Board | BSA (ASX: BSA)

30 August 2023

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www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF BSA LIMITED

As lead auditor of BSA Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BSA Limited and the entities it controlled during the year.

John Bresolin
Director

BDO Audit Pty Ltd

Sydney

30 August 2023

FINANCIAL REPORT

FOR THE YEAR ENDED **30 JUNE 2023**

BSA LIMITED ABN 50 088 412 748

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CONSOLIDATED STATEMENT
OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
Continuing operations			
Revenue and other income	B2	**239,817**	244,099
Subcontractors and raw materials used		(178,284)	(197,243)
Employee benefits expense		(33,594)	(35,457)
Significant items	B3	-	(43,089)
Depreciation and amortisation expense		(4,245)	(5,481)
Finance costs		(2,382)	(1,451)
Other expenses		(11,690)	(7,292)
Profit/(loss) before income tax		**9,622**	**(45,914)**
Income tax (expense)/benefit	B4	(3,693)	8,056
Profit/(loss) after income tax from continuing operations		**5,929**	**(37,858)**
Discontinued operations			
Loss after tax from discontinued operations	B5	(8,889)	(4,384)
Loss after income tax for the year attributable to the owners of BSA Limited		**(2,960)**	**(42,242)**
Other comprehensive income for the period, net of tax		**-**	**-**
Total comprehensive loss for the year attributable to the owners of BSA Limited		**(2,960)**	**(42,242)**

		Cents	Cents
Earnings per share from continuing operations:			
Basic earnings per share	B6	8.292	(7.221)
Diluted earnings per share	B6	8.292	(7.221)
Earnings per share for the total Group:			
Basic earnings per share	B6	(4.140)	(8.057)
Diluted earnings per share	B6	(4.140)	(8.057)

Results for the divested and held for sale business in the prior year have been presented within discontinued operations (refer Note B5). The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents		1,959	13,441
Trade receivables and other receivables	C1	24,181	58,695
Contract assets	B2	2,690	17,936
Inventories		195	1,104
Assets classified as held for sale	B5	10,580	-
Total current assets		**39,605**	**91,176**
Non-current assets			
Property, plant and equipment	C2	6,134	13,557
Intangible assets	C3	5,385	5,721
Deferred tax assets	B4	11,391	17,174
Total non-current assets		**22,910**	**36,452**
Total assets		**62,515**	**127,628**
LIABILITIES			
Current liabilities			
Trade and other payables	C4	38,085	60,911
Contract liabilities	B2	-	7,185
Borrowings	D1	4,000	11,500
Lease liabilities	D1	2,202	3,512
Employee benefit provisions	C5	3,517	10,850
Provisions	C5	10,845	10,088
Liabilities classified as held for sale	B5	6,886	-
Total current liabilities		**65,535**	**104,046**
Non-current liabilities			
Lease liabilities	D1	3,735	7,285
Employee benefit provisions	C5	965	1,180
Provisions	C5	1,885	22,209
Total non-current liabilities		**6,585**	**30,674**
Total liabilities		**72,120**	**134,720**
Net liabilities		**(9,605)**	**(7,092)**
EQUITY			
Issued capital	D2	114,857	114,530
Accumulated losses		(138,916)	(122,464)
Profit reserve		13,963	471
Share-based payment reserve		491	371
Total equity		**(9,605)**	**(7,092)**

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

	Notes	Issued capital	Accumulated losses	Profit reserve	Share-based payment reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021		100,861	(80,222)	2,044	1,427	24,110
Loss for the year		-	(42,242)	-	-	(42,242)
Total comprehensive income for the period		**-**	**(42,242)**	**-**	**-**	**(42,242)**
Transactions with owners in their capacity as owners:						
Dividends paid	D2	502	-	(2,173)	-	(1,671)
Issue of shares	D2	13,167	-	-	(323)	12,844
Share-based payment expense	F1	-	-	-	(133)	(133)
Transfers between reserves		-	-	600	(600)	-
		13,669	-	(1,573)	(1,056)	11,040
Balance at 30 June 2022		**114,530**	**(122,464)**	**471**	**371**	**(7,092)**

	Notes	Issued capital	Accumulated losses	Profit reserve	Share-based payment reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022		114,530	(122,464)	471	371	(7,092)
Loss for the year		-	(2,960)	-	-	(2,960)
Total comprehensive income for the period		**-**	**(2,960)**	**-**	**-**	**(2,960)**
Transactions with owners in their capacity as owners:						
Issue of shares	D2	327	-	-	(296)	31
Share based payment expense	F1	-	-	-	416	416
Transfers between reserves	D2	-	(13,492)	13,492	-	-
		327	(13,492)	13,492	120	447
Balance at 30 June 2023		**114,857**	**(138,916)**	**13,963**	**491**	**(9,605)**

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	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		401,256	483,064
Payments to suppliers and employees		(416,357)	(495,009)
Interest paid		(2,056)	(869)
Income taxes paid		(774)	(960)
Net cash outflow from operating activities	**B7**	**(17,931)**	**(13,774)**
Cash flows from investing activities			
Payments for acquisition of subsidiary		-	(302)
Payments for property, plant and equipment	C2	(826)	(908)
Payments for intangible assets	C3	(1,264)	(1,376)
Proceeds from sale of property, plant and equipment		-	265
Proceeds from the sale of business, net of cash disposed	B5	21,622	-
Transaction costs relating to the sale of business	B5	(1,814)	-
Net cash inflow / (outflow) from investing activities		**17,718**	**(2,321)**
Cash flows from financing activities			
Repayment of borrowings		(7,500)	(2,735)
Principal elements of lease payments		(3,769)	(6,157)
Dividends paid		-	(1,671)
Proceeds from issues of shares	D2	-	12,844
Proceeds from borrowings		-	14,236
Proceeds from repayment of executive loans		-	198
Net cash (outflow) / inflow from financing activities		**(11,269)**	**16,715**
Net (decrease) / increase in cash and cash equivalents		**(11,482)**	**620**
Cash and cash equivalents at the beginning of the financial year		13,441	12,821
Cash and cash equivalents at end of year		**1,959**	**13,441**

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

A

NOTES TO THE FINANCIAL STATEMENTS

ABOUT THIS REPORT

A1. COMPANY INFORMATION

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

The Group's principal place of business and registered office is Suite 1401, Level 14, Tower B, The Zenith, 821 Pacific Highway, Chatswood NSW 2067.

Financial statement characteristics

The financial statements have been approved and authorised for issue by the directors on 30 August 2023.

The financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB),
- include the assets and liabilities of all subsidiaries of the Group at 30 June 2023 and the results of the subsidiaries for the year then ended. Inter-entity transactions with, or between subsidiaries are eliminated in full on consolidation,
- have been prepared on a historical cost basis, and
- are measured and presented in Australian dollars which is the Company's functional and presentation currency with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

Subsequent events

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

A2. GOING CONCERN

The financial report has been prepared under the going concern basis, which is founded on the assumption that the business will continue its normal operations and that its assets will be realized, and liabilities settled, in the ordinary course of business.

For the year ending 30 June 2023, the Group reported the following key financial results:

- A current period net loss after tax for the group of $3.0 million (30 June 2022: $42.2 million);
- A current period net operating cash outflow of $17.9 million (30 June 2022: $13.8 million);
- Net continuing operations current liabilities of $29.6 million (30 June 2022: $12.9 million net current liabilities);
- Net continuing operations liabilities of $13.2 million (30 June 2022: $7.1 million net liabilities);
- Cash and cash equivalents of $2.0 million (30 June 2022: $13.4 million); and
- Debt of $4.0 million (30 June 2022: $ 11.5 million).

In evaluating the Group's current financial performance, position, and liquidity, the following factors have been taken into account:

1. Divestment of APS Maintain business: The Group divested its APS Maintain business for $21.7 million (excluding transaction costs) on 3 February 2023. This action removes a loss-making division, material overhead costs and operational liabilities from the Group's ongoing operations, whilst providing valuable working capital.
2. APS Fire Build: On 16 June 2023, the Group completed the sale of APS Fire Build Queensland for a nominal consideration. The Group intends to divest all Fire Build businesses to mitigate further trading losses and focus on core operations. The APS Fire Build NSW remains an asset held for sale.
3. Short-term funding facility: The Group has access to a short-term funding facility amounting to $15.0 million, which can be utilised for working capital needs. The facility continues to be subject to Review Events and currently has an expiry date of 31 March 2024, with the Company negotiating an extension with its financier.
4. Class Action settlement payment: The final instalment of $9.0 million is payable no later than June 2024.
5. The Group has a number of historical legacy legal and indirect tax provisions which it expects to pay over the course of 2024 and 2025 financial years.

As a consequence of the above considerations, a cash flow, profitability and liquidity forecast ("forecast") has been prepared, projecting a period of year beyond the final Class Action payment, ending on 30 June 2025. The key considerations included in this forecast are as follows:

- Management's best estimate of revenue, gross margin, EBITDA and capex requirements have been factored into the forecast, taking into account expected inflation rates and the prevailing product mix for the Group's continuing operations and an allowance for APS Fire Build NSW operations in financial year 2024 until its eventual sale;
- Management's best estimate in relation to timing of payments due for historical legacy legal and indirect tax provisions;
- The ongoing utilisation of the Short-term funding facilities including an assessment that forecast profitability for the Group will operate within the Review Event requirements of such facilities however noting that a Short-term funding facility will need to be in place for the entirety of the forecast period;
- The Group's focus on disciplined working capital management to optimize its cash flow and ensure sufficient liquidity for ongoing business activities.
- A restriction on dividend payments until the Class Action settlement is completed by June 2024, thereby preserving cash reserves for critical operational needs.

The forecast, taking into account various factors and projecting the Group's financial performance, cash flow, and liquidity, provides a comprehensive outlook on the Group's ability to sustain its operations and meet financial obligations during the extended period. The forecast requires an ongoing utilisation of the financing facilities currently expiring on 31 March 2024. Subject to the extension of the financing facilities, which the Directors have reasonable grounds to assume will take place based on current negotiations with the Company's financier, the Directors have taken the factors above into consideration and determined there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable and the Directors consider the going concern basis of preparation to be appropriate for these financial statements.

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

BUSINESS PERFORMANCE

B1. SEGMENT INFORMATION

Description of segments

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

The Group's reportable segments have historically been as follows:

BSA | Communications & Utility Infrastructure (CUI): provides services to the telecommunications, subscription television and utility industries. These services include the delivery of bundled services over fixed line and wireless networks, the installation of subscription television and the installation of smart meters and electric vehicles charging stations. This segment includes corporate costs.

BSA | Advanced Property Solutions (APS): Per Note B5, APS has been discontinued and therefore the Group has only one reportable segment.

Segment performance is disclosed below.

	Revenue and other income		EBITDA pre-significant items	
	2023	2022[1]	2023	2022[1]
	$'000	$'000	$'000	$'000
Communications & Utility Infrastructure	239,817	244,099	16,249	4,107
Significant items			-	(43,089)
Depreciation and amortisation expense			(4,245)	(5,481)
Earnings before interest and tax (EBIT)			12,004	(44,463)
Finance costs			(2,382)	(1,451)
Profit/(Loss) before tax from continuing operations			9,622	(45,914)
Income tax (expense)/benefit			(3,693)	8,056
Profit/(Loss) after tax from continuing operations			**5,929**	**(37,858)**

1 Segment results for the year ended 30 June 2022 has been represented to include only continuing operations.

Information about major customers

The Group supplies a single external customer in the CUI segment who accounts for 74% of external revenue (2022: 72%). The Group's next most significant customer is in the CUI segment and accounts for 18% of external revenue (2022: 15%).

B2. REVENUE AND OTHER INCOME

	2023	2022
	$'000	$'000
Installation and maintenance	231,127	232,281
Project services	8,541	11,703
Other income	149	115
Total revenue and other income	**239,817**	**244,099**

Revenue from maintenance and installation services is recognised at a point in time whereas revenue from project services is recognised over time.

Assets and liabilities related to contracts with customers

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

	Notes	2023 $'000	2022 $'000
Current contract assets		2,690	17,936
Current contract liabilities		-	(7,185)
Net contract assets		**2,690**	**10,751**

Revenue recognised in relation to contract liabilities

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was stated in the above table (if any). There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Accounting Policy

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

Classification and recognition

Maintenance revenue

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

Installation revenue

The Group provides installation services mainly for the telecommunications, subscription television and utility industries. Revenue is recognised once the installation is complete. Customers are in general invoiced on a monthly basis for an amount that is calculated on either a schedule of rates or a cost-plus basis that are aligned with the stand-alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Project revenue

The Group provides integrated project solutions and infrastructure services across a range of industries, the biggest being telecommunications network. Contracts entered into may be for the construction of one or several separate inter-linked pieces of large infrastructure. The construction of each individual piece of infrastructure is generally taken to be one performance obligation. Where contracts are entered for the building of several projects the total transaction price is allocated across each project based on relative stand-alone selling prices. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria (variable consideration).

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

Other income

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

Measurement

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

Contract Assets and Liabilities

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

Contract fulfilment costs

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

Loss making contracts

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

Key Estimates and Judgements: Revenue Recognition

Revenue is recorded based on the ratio of contract costs incurred for the work completed to date against the estimated total contract costs, which follows the percentage of completion method. In this process, informed judgment comes into play when assessing the overall progress of the Group and determining the complete contract expenses, accounting for any variable considerations associated with each project delivery. The Group's previous experience aids in gauging this progress and estimating the comprehensive contract expenses. However, revenue is recorded only if it's highly probable that no significant reversals will be necessary in the future.

B3. OTHER OPERATING EXPENSES

Significant Items	2023 $'000	2022 $'000
Loss for the year includes the following items:		
Impairment of goodwill	-	11,185
Class Action settlement and associated legal defence costs	-	23,474
Acquisition-related costs from the business combination	-	380
Business reorganisation and restructure costs	-	1,629
Provision for an uncertain indirect tax position	-	5,649
Legal and professional fees relating to legacy issues	-	772
Total significant items	**-**	**43,089**

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

Remuneration of auditors

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

	2023 $	2022 $
Audit and review of financial reports	405,000	-
Other services		
Tax services	-	-
Other	-	-
Total services provided by BDO (Audit) Pty Ltd	**405,000**	
Audit and review of financial reports	-	482,635
Other services		
Tax services	-	115,000
Other	-	17,000
Total services provided by Deloitte Touche Tohmatsu.	**-**	**614,635**

Audit and audit related services were provided by BDO Audit Pty Ltd during the year (2022: Deloitte Touche Tohmatsu).

B4. INCOME TAX

Income tax expense

	2023 $'000	2022 $'000
Current tax	170	425
Deferred tax	3,970	(9,211)
Adjustments in respect of prior years	(447)	730
Aggregate income tax expense/(benefit)	**3,693**	**(8,056)**

Reconciliation of income tax expense/(benefit) to prima facie tax payable

	2023 $'000	2022 $'000
Profit/(Loss) before income tax expense/(benefit) from continuing operations	9,622	(45,914)
Tax at the statutory rate of 30%	2,886	(13,774)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Adjustments in respect of prior years	(447)	(730)
Non-deductible share-based payments	125	(40)
Non-deductible goodwill impairment	-	3,356
Tax losses not recognised	1,207	3,101
Other	(78)	31
Aggregate income tax expense/(benefit)	**3,693**	**(8,056)**

Deferred tax balances

	2023 $'000	2022 $'000
Class Action Settlement	2,656	5,161
Provisions and accruals	4,878	3,609
Employee benefits	2,163	6,336
Intangible assets	1,690	1,765
Other	4	303
Net deferred tax assets	**11,391**	**17,174**

Tax Losses

	2023 $'000	2022 $'000
Tax losses for which no deferred tax asset has been recognised	19,234	10,336
Potential tax benefit @30%	5,770	3,100

The unused tax losses have not been recognised as the Group is not likely to generate the necessary taxable income in the near future. They can be carried forward indefinitely, subject to continuity of ownership test and same business test.

Accounting Policy

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

Tax consolidated group

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

Current tax

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

Deferred tax

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

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

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

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

Key Estimates and Judgements: Recoverability of deferred tax balances

The 30 June 2023 Deferred tax balance totals $11.4 million (2022: $17.2 million). Deferred tax assets are recognised up to the value that it is probable that there will be sufficient taxable profits in future years to offset the asset reversals. In addition, the Group has $19.2 million (2022: $10.3 million) of tax losses for which a deferred tax asset of $5.8 million has not been recognised at 30 June 2023 (2022: $3.1 million).

As outlined in note A2, the Group has prepared a cash flow, profitability and liquidity forecast ("forecast"). This forecast includes consideration of the utilisation of deferred tax assets, which are forecast to be utilised within three years of the current date. As a consequence, $11.4 million of deferred tax assets have been recognised at 30 June 2023 as it is probable that the related tax benefit will be realised.

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

B5. DISCONTINUED OPERATIONS

(a) Description

Following a strategic review, the BSA Group made a decision to divest its Advanced Property Solutions (APS) business thus enabling the Group to focus on the Telecommunication and Smart energy markets.

APS Maintain

On 23 November 2022, the Group entered into an agreement to sell its APS Maintain business for $21.7 million before transaction costs, with completion of the sale occurring on 3 February 2023. In the current period, it is reported as a discontinued operation in the consolidated statement of profit and loss and other comprehensive income. Financial information relating to the discontinued operation for the period to the date of disposal is set out in the tables below.

APS Fire Build Queensland

On 9 March 2023, the group announced that it has entered into an agreement to divest its APS Fire Build Queensland business for $0.3 million excluding working capital adjustments. The sale was successfully concluded on 16 June 2023, with an effective date set as 1 June 2023. In the current period, it is reported as a discontinued operation in the consolidated statement of profit and loss and other comprehensive income. Financial information relating to the discontinued operation for the period to the date of disposal is set out in the tables below.

APS Fire Build New South Wales

The Group intends to divest the APS Fire Build New South Wales business and has initiated an active program to locate a buyer. Consequently, the assets and liabilities of the business have been classified as held for sale at 30 June 2023. The associated earnings, for the current and comparative periods, have been classified as discontinued operations in the consolidated statement of profit or loss and other comprehensive income and all related note disclosures.

(b) Financial performance and cash flow information

The financial data is summarised below:

- discontinued operations are included for the period from July 1, 2022, up to the date of the sale.
- Assets held for sale are included for the year ended 30 June 2023.

	2023 $'000	2022 $'000
Revenue	124,007	222,261
Expenses	(139,564)	(228,411)
Operating loss before tax and significant items	(15,557)	(6,150)
Gain on divestment before income tax	6,498	-
Income tax benefit[1]	170	1,766
Loss after income tax	**(8,889)**	**(4,384)**

1 The transaction resulted in a capital loss and therefore there is no tax obligation on the gain from the divestment.

	2023 $'000	2022 $'000
Cash flows of discontinued operations		
Net cash outflows from operating activities	(8,898)	(4,862)
Net cash outflows from investing activities	(445)	(701)
Net cash outflows from financing activities	(2,009)	(3,110)
Net outflows from by discontinued operations	**(11,352)**	**(8,673)**

(c) Gain on divestment of businesses

	2023 $'000
Proceeds from sale[1]	21,576
Less: carrying value of net assets disposed	(13,264)
Less: transaction costs	(1,814)
Gain on divestment before income tax	6,498
Tax expense[2]	-
Gain on divestment before income tax	6,498

1 The final working capital adjustment of $0.2 million was paid subsequent to yearend.

2 The transaction resulted in a capital loss and therefore there is no tax obligation on the gain from the divestment.

(d) Assets and liabilities of divested business

	At date of disposal $'000
Assets	
Cash	172
Trade and other receivables	27,170
Contract assets	10,154
Inventories	172
Property, plant and equipment	3,213
Deferred tax assets	1,910
Total Assets	**42,791**
Liabilities	
Trade and other payables	17,148
Contract liabilities	4,699
Lease liabilities - Current	1,347
Provisions – Current	5,035
Lease liabilities – Non-current	1,063
Provisions – Non-current	235
Total liabilities	**29,527**
Net assets disposed	**13,264**

(e) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation (APS Fire Build NSW) as at 30 June 2023:

	2023 $'000
Assets	
Trade and other receivables	7,475
Contract assets	2,474
Property, plant and equipment	395
Deferred tax assets	236
Total Assets	**10,580**
Liabilities	
Trade and other payables	5,127
Contract liabilities	722
Lease liabilities - Current	44
Provisions – Current	860
Lease liabilities – Non-current	78
Provisions – Non-current	55
Total liabilities	**6,886**
Net assets of disposal group	**3,694**

B6. EARNINGS PER SHARE

(a) Basic earnings per share

	2023 Cents	2022 Cents
From continuing operations	8.292	(7.221)
From discontinued operations	(12.432)	(0.836)
Total basic earnings per share	**(4.140)**	**(8.057)**

(b) Diluted earnings per share

	2023 Cents	2022 Cents
From continuing operations	8.292	(7.221)
From discontinued operations	(12.432)	(0.836)
Total diluted earnings per share	**(4.140)**	**(8.057)**

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

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	71,498,326	524,302,050
Adjustments for calculation of diluted earnings per share:		
Performance rights outstanding	1,622,302	1,546,975
Anti-dilutive effect of loss on earnings per share	(1,622,302)	(1,546,975)
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**71,498,326**	**524,302,050**

On the 29 November 2022, the Group undertook a consolidation of shares on a 1 for 8 basis. This consolidation reduced the total number of shares from 572,066,780 to 71,508,980.

B7. CASH FLOW INFORMATION

	2023 $'000	2022 $'000
Loss for the year	(2,960)	(42,242)
Adjustments for:		
Depreciation and amortisation	5,336	7,503
Impairment of goodwill	-	11,185
Share-based payments	416	(133)
Net gain on sale of business	(6,498)	-
Net gain on sale of property, plant and equipment	-	(215)
Interest on lease liabilities	415	353
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(4,964)	7,718
Decrease/(increase) in inventories	736	346
Decrease/(increase) in deferred tax assets	2,810	(9,211)
Decrease/(increase) in other operating assets	373	(9,926)
Increase/(decrease) in trade and other payables	1,554	(1,602)
Increase/(decrease) in other operating liabilities	3,567	(1,841)
Increase/(decrease) in income tax payable	-	(847)
Increase/(decrease) in provisions	(18,716)	25,138
Net cash utilised by operating activities	**(17,931)**	**(13,774)**

OPERATING ASSETS AND LIABILITIES

C1. TRADE RECEIVABLES

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

	2023 $'000	2022 $'000
Trade receivables	15,561	54,572
Expected credit losses	(424)	(1,374)
Net trade receivables	**15,137**	**53,198**
Accrued revenue	4,932	2,390
Other receivables	931	1,490
Prepayments	3,181	1,546
Executive share plan receivables	-	71
Total other receivables	**9,044**	**5,497**
Total trade and other receivables	**24,181**	**58,695**

Expected Credit Losses

The average credit period for the Group is 23 days (2022: 28 days). No interest is charged on overdue receivables. Before accepting a new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

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

30 June 2023	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
Gross carrying amount – trade receivables	13,483	1,408	5	665	15,561
Loss allowance	(114)	(36)	-	(274)	(424)
30 June 2022					
Gross carrying amount – trade receivables	38,552	8,406	2,505	5,109	54,572
Loss allowance	(502)	(199)	(63)	(610)	(1,374)

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

	2023 $'000	2022 $'000
Opening loss allowance as at 1 July	1,374	1,538
Increase in loss allowance recognised in profit or loss during the year	386	28
Receivables written off during the year as uncollectible	-	(94)
Unused amount reversed	-	(98)
Disposal of business	(1,188)	-
Classified as asset held for sale	(148)	-
Closing loss allowance	**424**	**1,374**

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

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

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

Accounting Policy

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables generally have 30 day terms.

Expected credit loss

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of customers before 30 June 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified based on risk profile of customer industry, product type, total outstanding balance and credit terms provided to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Accrued revenue

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

C

OPERATING ASSETS AND LIABILITIES

FOR THE YEAR ENDED **30 JUNE 2023**

C2. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	Right-of-use vehicles $'000	Right-of-use premises $'000	Total $'000
At 30 June 2021						
Cost or fair value	663	4,602	27,722	11,559	10,570	55,116
Accumulated depreciation	(154)	(4,046)	(25,485)	(8,023)	(6,355)	(44,063)
Net book amount	**509**	**556**	**2,237**	**3,536**	**4,215**	**11,053**
Year ended 30 June 2022						
Opening net book amount	509	556	2,237	3,536	4,215	11,053
Additions	-	17	891	2,961	6,324	10,193
Disposals	-	-	-	(1,935)	(16)	(1,951)
Transfers	-	-	272	(272)	-	-
Depreciation charge	(16)	(203)	(1,119)	(1,307)	(3,093)	(5,738)
Closing net book amount	**493**	**370**	**2,281**	**2,983**	**7,430**	**13,557**
At 30 June 2022						
Cost or fair value	663	4,619	28,885	6,861	10,874	51,902
Accumulated depreciation	(170)	(4,249)	(26,604)	(3,878)	(3,444)	(38,345)
Net book amount	**493**	**370**	**2,281**	**2,983**	**7,430**	**13,557**
Year ended 30 June 2023						
Opening net book amount	493	370	2,281	2,983	7,430	13,557
Additions	-	-	826	-	-	826
Disposals	-	(27)	(469)	-	-	(496)
Discontinued operations	(493)	(56)	(750)	(1,810)	(1,114)	(4,223)
Asset held for sale	-	-	(278)	-	(117)	(395)
Depreciation charge	-	(156)	(758)	(543)	(1,678)	(3,135)
Closing net book amount	-	131	852	630	4,521	6,134
At 30 June 2023						
Cost or fair value	-	523	1,887	1,524	5,825	9,759
Accumulated depreciation	-	(392)	(1,035)	(894)	(1,304)	(3,625)
Net book amount	**-**	**131**	**852**	**630**	**4,521**	**6,134**

Accounting Policy

Property, plant and equipment

Land and buildings, leasehold improvements and plant & equipment are recognised at the cost of the asset less accumulated depreciation.

Right-of-use assets

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

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

Expected useful lives

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

Asset	Useful life	Depreciation method
Land	Indefinite	Not applicable
Buildings	25 years	Straight-line
Leaseholds improvements	4 to 5 years	Straight-line
Plant & equipment	3 to 10 years	Straight-line
Right-of-use vehicles	3 to 5 years	Straight-line
Right-of-use property	1 to 5 years	Straight-line

Depreciation is recognised so as to write off the cost (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

Impairment

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

C3. INTANGIBLE ASSETS

	Goodwill $'000	Software assets under construction $'000	Software $'000	Customer lists and contracts $'000	Total $'000
At 30 June 2021					
Cost or fair value	11,260	106	4,579	12,606	28,551
Accumulated depreciation	-	-	(811)	(10,445)	(11,256)
Net book amount	**11,260**	**106**	**3,768**	**2,161**	**17,295**
Year ended 30 June 2022					
Opening net book amount	11,260	106	3,768	2,161	17,295
Additions	-	1,171	205	-	1,376
Transfers	-	(904)	904	-	-
Impairment charge	(11,185)	-	-	-	(11,185)
Amortisation charge	-	-	(1,251)	(514)	(1,765)
Closing net book amount	**75**	**373**	**3,626**	**1,647**	**5,721**
At 30 June 2022					
Cost or fair value	75	373	4,812	2,527	7,787
Accumulated depreciation	-	-	(1,186)	(880)	(2,066)
Net book amount	**75**	**373**	**3,626**	**1,647**	**5,721**
Year ended 30 June 2023					
Opening net book amount	75	373	3,626	1,647	5,721
Additions	-		1,264	-	1,264
Transfers	-	(373)	373	-	-
Discontinued operations	-	-	(490)	-	(490)
Amortisation charge	-	-	(812)	(298)	(1,110)
Closing net book amount	**75**	**-**	**3,961**	**1,349**	**5,385**
At 30 June 2023					
Cost or fair value	75	-	7,024	2,528	9,627
Accumulated depreciation	-	-	(3,063)	(1,179)	(4,242)
Net book amount	**75**	**-**	**3,961**	**1,349**	**5,385**

Accounting Policy

Goodwill

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

Other intangible assets

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

Impairment

Goodwill and other indefinite useful life intangible assets

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

Other intangible assets

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

Expected useful lives

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

Asset	Useful life	Amortisation method
Goodwill	Indefinite	Not applicable
Software	2 to 8 years	Straight-line
Customer lists and contracts	1 to 9.5 years	Straight-line

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

C4. TRADE AND OTHER PAYABLES

	2023 $'000	2022 $'000
Current liabilities		
Trade payables	9,587	27,817
Employee related payables	6,912	8,479
Final tranche of the Class Action settlement	8,854	-
Insurance funding	3,065	-
Deferred consideration for the acquisition of Catalyst ONE	824	1,417
Other payables	8,843	23,198
	38,085	**60,911**

Settlement of Class Action

On 28 July 2022, the Federal Court approved the agreed terms of settlement in relation to a Class Action that was served on the Group in August 2020. The total settlement amount of $20.0 million is paid or payable as following:

- $4.4 million paid before 30 June 2022
- $6.6 million paid before 30 June 2023
- $9.0 million payable before 30 June 2024

The settlement of the proceedings was without admission of liability and each party had to pay their own costs.

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

Accounting Policy

Trade payables

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

Other payables

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

C5. PROVISIONS

	Current	Non-current	2023 Total	Current	Non-current	2022 Total
	$'000	$'000	$'000	$'000	$'000	$'000
Employee benefits	3,517	965	4,482	10,850	1,180	12,030
Other provisions	10,845	1,885	12,730	10,088	22,209	32,297
	14,362	**2,850**	**17,212**	**20,938**	**23,389**	**44,327**

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

	Class Action and associated legal costs	Make good provisions	Contract provisions	Indirect tax positions	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amount at the start of the year	17,203	1,445	8,000	5,649	32,297
Additional provision recognised	-	38	3,750	-	3,788
Amounts used during the year	-	-	(4,138)	-	(4,138)
Discontinued operations	-	(516)	-	-	(516)
Assets held for sale	-	(5)	(900)	-	(905)
Reclassification to payables	(17,203)	-	-	-	(17,203)
Other		-	(593)	-	(593)
Carrying amount at the end of year	**-**	**962**	**6,119**	**5,649**	**12,730**

Provision	Matter
Class Action and associated legal costs	Costs incurred in relation to the Class Action settlement in 2022. The discounted payables related to the Class Action have been reclassified from provisions to trade and other payables, due to the timing and settlement amounts payable being certain.
Make good provision	Estimated costs required to restore lease properties to a contractually defined condition at the end of the lease term.
Contract provisions	The expected cost of obligations under various construction contracts recognised at the Directors' best estimate of the expenditure to settle the Group's obligation.
Indirect tax position	A provision has been raised for specific indirect taxation liabilities which are in the process of being resolved with relevant taxation authorities.

Accounting Policy

Employee benefits

Short-term employee benefits

Liabilities for salaries and wages, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

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

Bonus plans

The expected cost of bonus payments is recognised when there is a legal or constructive obligation to make such payments as a result of past performance and the obligation can be measured reliably.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary and wage levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Other provisions

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

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

CAPITAL AND FINANCING STRUCTURE

D1. FINANCIAL LIABILITIES

Borrowings

	2023 $'000	2022 $'000
Current borrowings	4,000	11,500
Total borrowings	**4,000**	**11,500**

Assets pledged as security

The borrowings are secured against the all assets of the Group. The weighted average interest rate for borrowings was 3.59% (30 June 2022: 0.88%).

Lease Liabilities

	2023 $'000	2022 $'000
Current	2,202	3,512
Non-current	3,735	7,285
Total lease liabilities	**5,937**	**10,797**

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

Accounting Policy

Borrowings

See accounting policy in note D4.

Lease liabilities
Initial recognition

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

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

Subsequent measurement

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

D2. EQUITY

Issued Capital

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

	Number of shares (thousands)	Total $'000
Opening balance 1 July 2021	433,626	100,861
Dividend reinvestment plan issues	1,732	502
Accelerated Non-Renounceable Entitlement Offer capital raise	134,703	12,844
Exercise of options	3	-
Exercise of performance rights	878	323
Balance 30 June 2022	**570,942**	**114,530**
Exercise of performance rights	1,125	327
Issued capital before share consolidation	(572,067)	114,857
Share consolidation 8:1	71,509	-
Balance 30 June 2023	**71,509**	**114,857**

On the 29 November 2022, the Group undertook a consolidation of shares on a 1 for 8 basis. This consolidation reduced the total number of shares from 572,066,780 to 71,508,980.

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

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

At 30 June 2023, there was 16,795,572 listed options which expire on 30 April 2025 and are exercisable at 80 cents.

Profit reserve

The profit reserve was established to accumulate profits of the parent entity for the purpose of facilitating the payment of dividends in future years. Refer to Note E2 for the results of the parent entity.

Dividends

Dividends paid

	2023 $'000	2022 $'000
Final dividend	-	2,173
Total dividends provided for or paid	-	2,173

Dividend reinvestment plan

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

Dividend	DRP shares issued - Number (thousands)	DRP per share - $	DRP dividend payment $'000
FY2021 final dividend (November 2021)	1,731	0.29	502
FY2021 interim dividend (April 2021)	85	0.29	25

Franking credits

As at 30 June 2023 based on the current tax rates of 30% the Group has $11.4 million (2022: $11.4 million) franking credits available for future dividends.

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

Capital management

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

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

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

Net (cash)/debt excludes right-of-use lease liabilities and includes debt classified as finance lease liabilities had the legacy accounting standard AASB 117 Leases been applied.

It is the Board's intention to monitor gearing levels going forward to ensure flexibility. There have been no changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

D3. CONTINGENT LIABILITIES

The group had contingent liabilities at 30 June 2023 in respect of:

Capital commitments

Matter	Description
Bank guarantees and Insurance bonds	Established in favour of National Australia Bank, the Commonwealth Bank of Australia and Swiss Re International SE for guarantees issued to various clients for satisfactory contract performance, secured by cross guarantees from all wholly owned group members amounting to $22.8 million (2022: $32.5 million).
Claims against the Group	Certain claims, including those arising out of construction contracts, have been made by, or against, the Group

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

Provisions

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

D4. FINANCIAL RISK MANAGEMENT

General objectives, policies and processes

This note describes the Group's objectives, policies and processes for managing financial risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

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

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

Credit risk

The Group's primary exposure to credit risk stems from its outstanding trade receivables and accrued revenue owed by its customers. Historically, accrued revenue has shown a strong likelihood of being collected.

Given the limited number of customers, the Group maintains a constant check on receivable balances and maintains a policy of exclusively working with dependable partners. Moreover, as relevant, it pursues credit support to mitigate the risk of financial loss arising from credit defaults.

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

Liquidity risk

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

Financing arrangements

The following financing facilities were available at balance date:

Borrowing base facility	2023 $'000	2022 $'000
Facility Limit	15,000	37,500
Used	(4,000)	(6,500)
Unused	11,000	31,000
Cash advance		
Facility Limit	-	6,000
Used	-	(5,000)
Unused	-	1,000
Master Asset Finance		
Facility Limit	123	223
Used	(123)	(223)
Unused	-	-

The group has bank guarantee facilities of $19.5 million (2022: $26.5 million) of which $17.8 million (2022: $23.6 million) was utilised. In addition to the above facilities the group has a surety bond facility with Swiss Re International SE of $10.0 million (2022: $12.0 million) which was utilised to $5.1 million (2022: $8.9 million).

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

Contractual maturities of financial liabilities at 30 June 2023	< 6 months $'000	6 - 12 months $'000	1-3 years $'000	> 3 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade payables	9,587	-	-	-	9,587	9,587
Class Action settlement	-	9,000	-	-	9,000	8,854
Insurance funding	2,380	794	-	-	3,174	3,065
Borrowings	4,000	-	-	-	4,000	4,000
Lease liabilities	1,225	1,178	2,801	2,030	7,234	5,937
Total non-derivatives	**17,192**	**10,972**	**2,801**	**2,030**	**32,995**	**31,443**

Contractual maturities of financial liabilities at 30 June 2022	< 6 months $'000	6 - 12 months $'000	1-3 years $'000	> 3 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Trade payables	27,817	-	-	-	27,817	27,817
Lease liabilities	1,933	1,894	5,133	3,306	12,266	10,797
Total non-derivatives	**29,750**	**1,894**	**5,133**	**3,306**	**40,083**	**38,614**

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity.

If the market interest rates go up by 200 basis points, the Group's sensitivity to interest rate risk would lead to an annual increase of interest of $0.5 million (30 June 2022: $0.7 million).

Accounting Policy

Classification of financial instruments

The Group classifies its financial instruments as follows:

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

Recognition and measurement

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

Subsequent measurement

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

Effective interest method

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

Derecognition

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

E

NOTES TO THE FINANCIAL STATEMENTS

GROUP STRUCTURE

E1. GROUP COMPANIES

Controlled entities

The Group's subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. All entities in the Group are registered in and have their principal place of business in Australia.

	Ownership interest held by the group (%)	
	2023	2022
Name of entity	%	%
BSA Advanced Property Solutions (Administration) Pty Ltd	100	100
BSA Advanced Property Solutions (FIRE) Pty Ltd	100	100
BSA Advanced Property Solutions (NSW) Pty Ltd	100	100
BSA Communications and Utility Infrastructure Pty Ltd	100	100
BSA Equity Plans Pty Ltd	100	100
BSA Networks Pty Ltd	100	100
BSA Transmission Solutions Pty Ltd	100	100
Catalyst ONE Ptd Ltd	100	100
Jamik (AUS) Pty Ltd	100	100
Satellite Receiving Systems (QLD) Pty Ltd	100	100
066 059 809 Pty Ltd	100	100
BSA IT Services Pty Ltd Formerly ACN 066 496 893 Pty Ltd	100	100
BSA Advanced Property Solutions (ACT) Pty Ltd	-	100
BSA Advanced Property Solutions (ECR) Pty Ltd	-	100
BSA Advanced Property Solutions (Essential Services) Pty Ltd	-	100
BSA Advanced Property Solutions (Holdings) Pty Ltd	-	100
BSA Advanced Property Solutions (NSW & ACT) Pty Ltd	-	100
BSA Advanced Property Solutions (NT) Pty Ltd	-	100
BSA Advanced Property Solutions (VIC) Pty Ltd	-	100
BSA Advanced Property Solutions Australia Pty Ltd	-	100
Triple M Group Pty Ltd	-	100
Mr Broadband Pty Ltd	-	100
BSA Advanced Property Solutions Fire (QLD) Pty Ltd	-	100

Deed of cross guarantee

All controlled entities are parties to the Deed of Cross Guarantee and are members of the Closed Group, where relief is obtained from preparing individual financial reports under ASIC Instrument 2016/785. Under the deed, BSA Limited agrees to support the liabilities and obligations of the controlled entities.

During the year ended 30 June 2023, the group disposed of several entities (refer to note B5) which left the Closed Group at the date of divestment.

Accounting policy

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

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

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

E2. PARENT ENTITY FINANCIAL INFORMATION

Summary financial information

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

	Notes	2023 $'000	2022 $'000
Profit/(loss) after tax for the year		13,492	(40,522)
Total comprehensive income/(loss)		**13,492**	**(40,522)**
Statement of financial position			
Current assets		45,660	13,482
Non-current assets		23,575	70,759
Current liabilities		57,231	62,887
Non-current liabilities		7,091	28,446
Shareholders equity			
Issued Capital		114,857	114,530
Reserves			
Accumulated losses		(124,399)	(124,399)
Profit reserve		13,963	2,406
Share-based payment reserve		492	371
		4,913	**(7,092)**

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

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity

Guarantees entered into by the parent entity

	2023 $'000	2022 $'000
Directly relating to the parent entity	12,834	8,044
Secured by cross guarantee by all wholly owned group members	9,984	24,406
	22,818	**32,450**

Contingent liabilities of the parent entity

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

E3. RELATED PARTY TRANSACTIONS

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

Related Party Remuneration

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

	2023 $	2022 $
Short-term employee benefits	1,593,400	1,525,934
Post-employment benefits	54,828	100,830
Other long-term benefits	9,498	11,952
Share-based payments	123,561	(95)
	1,781,287	1,638,621

Related Party Rights and Shareholdings

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

F1. SHARE-BASED PAYMENTS

	2023 $'000	2022 $'000
Equity settled share-based payments expense	416	(133)
Share-based payments equity reserve	491	371

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

Plan	Grant date	Vesting date	Fair value $	Balance at 30 June 2022 Number	Granted Number	Forfeited Number	Vested Number	Balance at 30 June 2023 Number
PRP Plan (SR)	27 November 2019	30 June 2021	0.26	37,092	-	-	(37,092)	-
PRP Plan (SR)	25 November 2020	30 June 2022	0.26	1,088,365	-	-	(1,088,365)	-
PRP Plan (SR)	21 November 2022	30 June 2023	0.38	-	491,080	(31,888)	-	459,192
PRP Plan (SR)	21 November 2022	30 June 2024	0.38	-	491,074	(31,888)	-	459,186
PRP Plan (SR)	27 February 2023	30 June 2023	0.64	-	95,639	-	-	95,639
PRP Plan (SR)	27 February 2023	30 June 2024	0.64	-	95,639	-	-	95,639
PRP Plan (PR)	1 April 2023	30 June 2024	0.59	-	256,324	-	-	256,324
PRP Plan (PR)	1 April 2023	30 June 2025	0.59	-	256,322	-	-	256,322
				1,125,457	**1,686,078**	**(63,776)**	**(1,125,457)**	**1,622,302**

All the SBP rights outlined above are equity settled and have a $nil exercise price and expire 15 years after their grant date. No rights were granted in the year ended 30 June 2022.

Employee Performance Rights Plan

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

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

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

PRP Plan (SR)

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

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

PRP Plan (PR)

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

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

Non-executive Director Fee Sacrifice Equity Plan

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

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

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

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

Accounting Policy

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

F2. OTHER ACCOUNTING POLICIES

New accounting standards and interpretations

New accounting standards effective in the current year

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

New accounting standards not yet effective

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

Reclassifications

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

Current and non-current classification

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

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

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

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

F

OTHER

FOR THE YEAR ENDED **30 JUNE 2023**

Finance costs

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

Inventories

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

Goods and Services Tax

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

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

DIRECTORS DECLARATION

FOR THE YEAR ENDED 30 JUNE 2023

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,

(a) in the Directors' opinion, the attached financial statements are in compliance with Australian Accounting Standards and International Financial Reporting Standards, as stated in note A1 to the financial statements,

(a) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity, and

(a) The Directors have been given the declarations required by s.295A of the Corporations Act 2001.

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

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

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

On behalf of the Directors.

Nicholas Yates
Chairman
Sydney

30 August 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of BSA Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BSA Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

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

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note A2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other matter

The financial report of BSA Limited for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on that report on 23 August 2022.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Disposal of APS Maintain

Key audit matter	How the matter was addressed in our audit
During the year, the Group disposed of the APS Maintain business for total proceeds of $21.5 million excluding working capital adjustments (see note B5). The Group was required to calculate the gain on disposal date, which was complex due to the size of the business being sold. The disclosure of the transaction in the financial report was also complex as there was a requirement to separate operations between continuing and discontinued in both the current and comparative period.	Our procedures included but were not limited to: • Obtaining and reviewing the legally binding sale agreement; • Assessing the carrying amount of disposed assets and liabilities at the date of disposal and recalculating the gain recorded; • Reviewing the allocation of revenue and expenditure from continuing and discontinued operations to assess compliance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*. • Assessing the adequacy and appropriateness of the disclosure of the disposal in light of the requirements of the Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/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 the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of BSA 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.

BDO Audit Pty Ltd

BDO

John Bresolin
Director

Sydney, 30 August 2023

SHAREHOLDER INFORMATION

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 31 JULY 2023

A. DISTRIBUTION OF EQUITY SECURITIES

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

	Number of Holders	Ordinary Shares	Percentage Held	Number of Holders	Quoted Options	Percentage Held
1 - 1,000	848	320,363	0.45%	86	29,821	0.18%
1,001 – 5,000	484	1,143,562	1.60%	40	104,429	0.62%
5,001 – 10,000	191	1,389,336	1.94%	16	115,081	0.69%
10,001 – 100,000	238	5,884,945	8.23%	39	1,199,881	7.14%
100,001 and above	23	62,770,774	87.78%	7	15,346,360	91.37%
Total	1,784	71,508,980	100%	188	16,795,572	100%

Unmarketable Parcels

		Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $0.0600 per unit	Shares	834	792	269,615
Minimum $ 500.00 parcel at $0.0300 per unit	Options	16,667	158	452,541

B. EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

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

	Ordinary Shares	
Name of Holder	Number Held	Percentage of Issued
NATIONAL NOMINEES LIMITED	27,285,297	38.16%
CITICORP NOMINEES PTY LIMITED	16,050,088	22.44%
BIRKETU PTY LTD	12,014,359	16.80%
SANDHURST TRUSTEES LTD <WENTWORTH WILLIAMSON A/C>	3,374,026	4.72%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	876,670	1.23%
EMELWIN PTY LTD <N & E YATES SUPER FUND A/C>	436,745	0.61%
BNP PARIBAS NOMS PTY LTD <DRP>	313,718	0.44%
LAYUTI PTY LTD <THE MOUATT SUPER FUND A/C>	223,611	0.31%
EDINGTON PTY LIMITED <HERRING SUPER FUND A/C>	221,172	0.31%
CTSF PTY LTD <VC SUPERANNUATION FUND A/C>	209,494	0.29%
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	184,776	0.26%
MISS YAN LI	175,000	0.24%
MR TIMOTHY HARRIS	162,764	0.23%
MR NICHOLAS KELVIN YATES	157,441	0.22%
MRS SUSAN ELIZABETH MCGREGOR	136,593	0.19%
MR GRAEME LESLIE HERRING + MRS JOAN HERRING	136,332	0.19%
MR MICHAEL LINDSAY BOYD	125,000	0.17%
ECS HOLDINGS PTY LTD <ECS EXEC SUPER FUND A/C>	125,000	0.17%
MR MICHAEL SEAN NEWTON	125,000	0.17%
MIFAR PTY LTD <MCDONALD FAMILY SF A/C>	115,868	0.16%
Top 20 Shareholders	62,448,954	87.31%
Total Shares Issued	71,508,980	100%

SHAREHOLDER INFORMATION

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 31 JULY 2023

C. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are set out below:

	Ordinary Shares		Options	
	Number Held	Percentage	Number Held	Percentage
NAOS ASSET MANAGEMENT LIMITED	26,335,778	36.83%	7,140,057	42.51%
LANYON ASSET MANAGEMENT PTY LIMITED	16,034,119	22.42%	3,826,759	22.78%
BIRKETU PTY LTD	12,014,359	16.80%	2,867,389	17.07%

D. VOTING RIGHTS

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

(a) Ordinary shares

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

(b) Quoted options

No voting rights.

(c) Rights over an ordinary share

No voting rights.

E. ON MARKET BUY-BACK

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

CORPORATE DIRECTORY

BSA Limited

Registered Office

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The Zenith, 821 Pacific Highway,
Chatswood NSW 2067

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F +61 2 9763 6201
E corporate@bsa.com.au
W www.bsa.com.au

Share Registry

Computershare Investor Services

GPO Box 2975
Melbourne VIC 3001 Australia

P 1300 85 05 05
P +61 3 9415 4000
F +61 3 9473 2500

Stock exchange listing

BSA Limited shares are listed on the Australian Securities Exchange (ASX code: BSA)

Auditor

BDO Audit Pty Limited

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Sydney NSW 2000

P 1300 138 992
W www.bdo.com.au

Financier

Commonwealth Bank of Australia

201 Sussex Street
Sydney NSW 2000