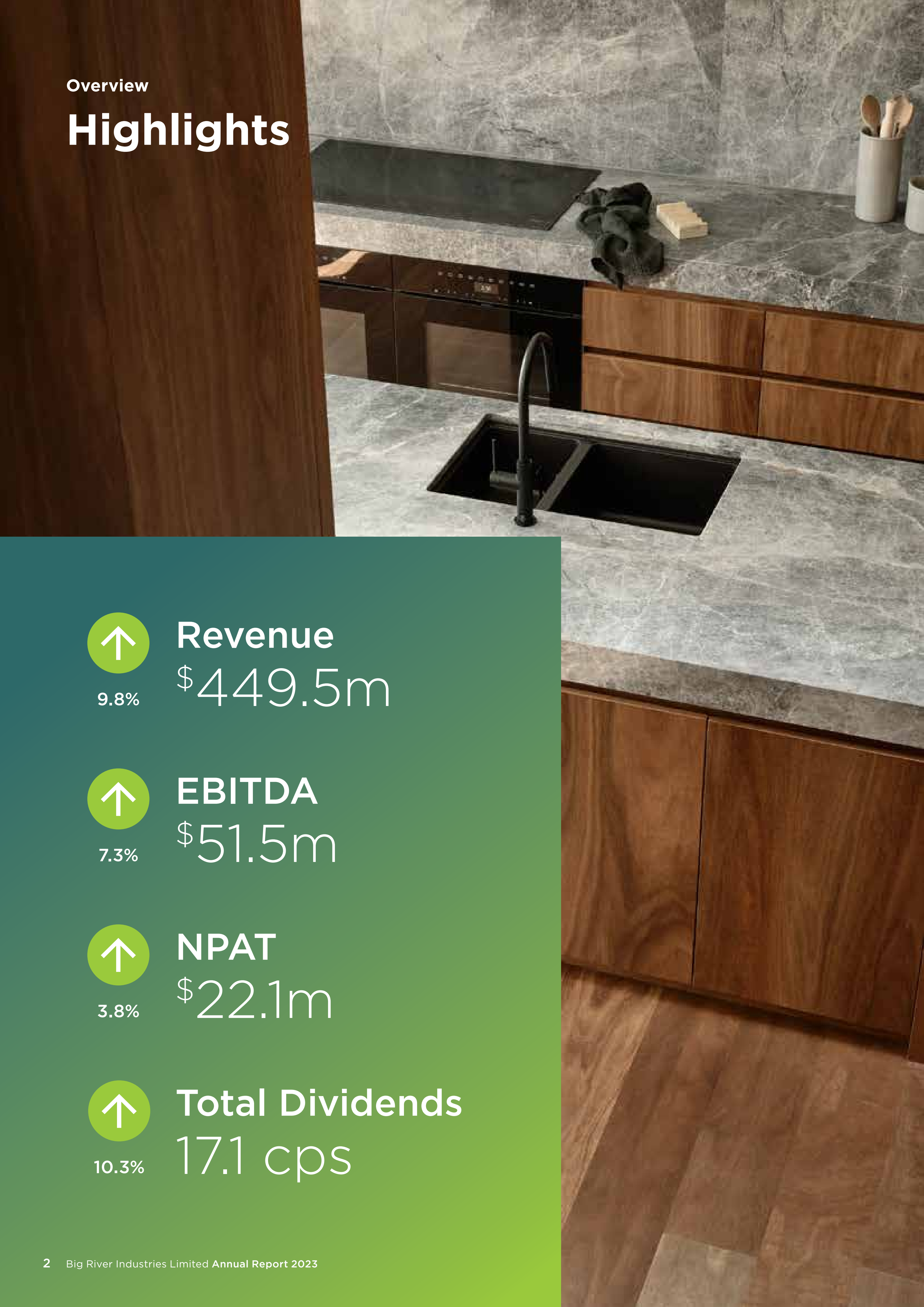
Building Australia for over 100 years

ANNUAL REPORT 2023

BigRiver

Contents

Big River's geographic, market segment and supply chain diversity delivers growth through the construction cycle.



Overview

Highlights

Revenue
9.8%
$449.5m

EBITDA
7.3%
$51.5m

NPAT
3.8%
$22.1m

Total Dividends
10.3%
17.1 cps

Overview

Chairman and Managing Director's Report

Big River continued the momentum of solid results delivering positive growth for FY23 and strong cash management.

Operating Highlights

We are pleased to present the Chairman and Managing Director's report for FY2023 on behalf of the Board.

Big River continued its strong growth trajectory of the past few years, delivering positive revenue and profit growth for the Group despite the significant market challenges during the fiscal year.

As has been well documented, the industry experienced construction delays in every market segment, predominantly driven by labour shortages and disruption to global supply chains. Despite this, the Group revenue was up 9.8%, including organic revenue growth of 2.8%, with growth in both the Panels and Construction divisions. These increases resulted in record revenues of $449.5m, with strong performances from our Qld, SA and WA businesses, and the contribution from new acquisitions.

Our gross margin continues to improve, up 55 basis points, on a favourable product mix and disciplined price management. This delivered a strong underlying profit result with EBITDA (before significant items) up 7.3% to $51.5m at 11.5% of revenue, well above our average through cycle target.

Well considered acquisitions of quality businesses remains a core pillar of our strategy. Both FA Mitchell and Epping Timber joined the group in the fiscal year and have integrated well into the business, delivering positive results in line with our forecasts. The business will continue to seek out acquisition opportunities that deliver value.

The diversity of the Group's supply chain has been a strong competitive advantage over many years. The Grafton Consolidation project is almost complete and expected to be fully operational by late CY2023, delivering quality differentiated products for our customers across both the Panels and Construction divisions.

The business continues to invest for growth, initiating several operational improvement programs aimed at enhancing our systems, processes and support structures in Operations, IT, Finance and HR that will deliver efficiencies.

Balance Sheet and Dividends

A highlight of the year was the very strong cash flows delivered through focused management on working capital. Following the improvements in international supply chains in the back half of the year, proactive management of our inventory levels saw inventory decline by $3.3m in the year to $69.5m.

The formation of a new national credit team and tight credit management by the branches delivered an improvement in trade receivables from 44 days to 43 days. Net debt was reduced by $10.0 m to $11.2m with gearing of 8.5% at 20 June 2023. This provides significant capacity for continued investment in the business.

Chairman and Managing Director's Report

continued

Our strong cash position allowed the board to endorse a fully franked total dividend of 17.1c for the year to our shareholders, at 63.9% to sales payout ratio, in line with the previous year.

Corporate Governance

There were significant changes to our senior management team in the year. John O'Connor joined the business in August as CFO and Company Secretary bringing a broad financial knowledge, experience and energy to the business.

Jim Bindon, our long serving CEO retired partway through the year following 17 years delivering exceptional leadership to the Group. John Lorente was promoted from within to the CEO role on 1st March 2023.

As communicated earlier in the year, Malcolm Jackman will be retiring as the Chair of the Board at the upcoming AGM, with the Board endorsing current director Martin Monro as Chair-Elect. Malcolm has been a director of the business since 2016 and Chair since 2019, guiding the business through a period of exceptional growth. The Board would like to thank Malcolm for his leadership, passion and unwavering dedication to the business and congratulate Martin on his upcoming appointment. These changes will take the Board from seven members to six, with three independent directors, post the AGM.

The transition of both CEO and CFO has been managed well and combined with an experienced incoming Chair in Martin Monro, the business is well positioned for delivering the next phase of evolution and growth.

People & Safety

The Big River team have done an excellent job managing the uncertainties in the market and delivering outstanding growth. The accountability, flexibility and coherence of the team is the cornerstone of our success. Safety and looking after each other has been a core theme for the year and we are pleased to report that all the teams across Australia and New Zealand have been fully committed to the initiatives that flow from our 'Safety First' philosophy.

Finally, the Board would like to take the opportunity to sincerely thank our valuable staff for their ongoing passion, commitment, and dedication.

Malcolm Jackman
Chairman

John Lorente
Managing Director and Chief Executive Officer

Financial Report 2023

Contents

Directors' Report

30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Big River Industries 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.

Directors

The following persons were directors of Big River Industries Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Lorente	Managing Director and Chief Executive Officer (appointed 1 March 2023)
Malcolm Geoffrey Jackman	Chair*
Martin Monro	Chair-Elect**
Martin Kaplan	
Vicky Papachristos	
Brendan York	
Brad Soller	
James Bernard Bindon	Former Managing Director and Chief Executive Officer (until 1 March 2023)***

* Will retire at the 2023 AGM in October 2023

** Expected to be appointed as Chair at the 2023 AGM in October 2023

*** Remained an employee until 31 March 2023

Principal activities

During the financial year the principal continuing activities of the Group consisted of the manufacture of veneer, plywood and formply, and the distribution of building supplies, including commercial and formwork product.

Dividends

Dividends paid

Dividends paid during the financial year were as follows:

	Group 2023 $'000	Group 2022 $'000
Final dividend of 10.0 cents per fully paid ordinary share paid on 6 October 2022 (2022: 3.0 cents paid on 6 October 2021)	8,291	2,419
Interim dividend of 8.6 cents per fully paid ordinary share paid on 29 March 2023 (2022: 5.5 cents paid on 6 April 2022)	7,139	4,520
	15,430	6,939

Dividend declared

On 23 August 2023, the directors determined a fully franked dividend of 8.5 cents per fully paid ordinary share to be paid on 6 October 2023.

Review of operations

Revenue for the year ended 30 June 2023 was $449.5 million, up 9.8% from $409.3 million in the previous financial year due to continued organic growth and contribution from recent acquisitions, being eleven months from F.A. Mitchell and seven months from Epping Timber. Comparable store revenue grew by 2.8% on like-for-like basis (stores trading for a full financial year).

Revenue growth along with improvement of 55 bps in gross margin and the contribution from acquisitions saw EBITDA* increasing from $48.0 million in previous financial year to $51.5 million in the current financial year, a growth of 7.3%.

During FY2023, the Group completed the acquisition of F.A. Mitchell and Epping Timber with associated acquisition costs of $0.6 million. These businesses contributed $14.6 million to revenue for the year ended 30 June 2023.

During FY2023, the Group also completed sale of land and building at its Wagga site and received net consideration of $2.7 million. The expanded Grafton site was largely commissioned by 30 June 2023.

Directors' Report

30 June 2023

Net profit after tax ('NPAT') was $22.1 million, up 4.3% on the previous financial year of $21.3 million.

The directors consider EBITDA* to reflect the core earnings of the Group. EBITDA* is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items.

The Group's reconciliation of its statutory net profit after tax ('NPAT') for the current and previous year to EBITDA is as follows:

Summary results	**Group 2023 $'m**	**Group 2022 $'m**
Revenue	449.5	409.3
EBITDA*	51.5	48.0
Depreciation	(11.4)	(10.8)
Amortisation	(2.4)	(1.4)
Earnings before interest and tax ('EBIT')	37.7	35.8
Finance costs	(4.8)	(3.2)
Net profit before tax ('NPBT') and before significant items	32.9	32.6
Taxation	(9.7)	(10.1)
Net profit after tax ('NPAT') and before significant items	23.2	22.5
Significant Items	(1.1)	(1.2)
Statutory NPAT	22.1	21.3
Significant items:		
Acquisition costs	(0.6)	(1.0)
Share-based remuneration	(0.6)	(0.9)
Recovery of assets and restructuring costs	-	0.7
Tax benefit/(expense)	0.1	-
Total significant items	(1.1)	(1.2)

* EBITDA is net profit before interest, taxes, depreciation, amortisation and significant costs which are share-based remuneration, acquisition costs and restructuring costs.

Segment performance

	Segment revenue 2023 $'m	**Segment revenue 2022 $'m**	**Segment EBITDA 2023 $'m**	**Segment EBITDA 2022 $'m**
Panels	128.5	117.1	19.2	21.4
Construction	321.0	292.2	39.3	31.9
Corporate	-	-	(7.0)	(5.3)
	449.5	**409.3**	**51.5**	**48.0**

Both divisions achieved both organic revenue growth and contribution from new acquisitions (and a full 12-month contribution from the prior year acquisition of Revolution Wood Panels and United Building Products).

Directors' Report

30 June 2023

Cash and Debt

	2023 $'m	2022 $'m
Cash and cash equivalents	34.3	19.8
Bank bills	(41.0)	(36.0)
Bank overdraft and trade/lease finance	(4.5)	(5.0)
Net debt	(11.2)	(21.2)
Contingent consideration*	(5.8)	(7.9)
Net debt adjusted for contingent consideration	(17.0)	(29.1)

* Contingent consideration represents estimated fair value of future payments to vendors of previously completed acquisitions. These payments are contingent on the achievement of certain financial targets of that acquired business. Refer note 24 'Contingent consideration' for further details.

The Group has a net debt position of $11.2m as at 30 June 2023, a reduction of $10.0m compared to 30 June 2022. The Group remains in a strong balance sheet position with a reduction in gearing (measured as Net Debt/Net Debt plus Equity) occurring during FY2023, closing the year at 8.5%, versus the 15.9% in the previous financial year.

From an operating cash flow perspective, the Group achieved a 112% EBITDA to cash conversion, this very strong outcome was driven by efficient working capital management resulting 6.2% reduction in working capital.

Material business risks

The Group is subject to general risks as well as risks that are specific to the Group and the Group's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the Group's business, however, this is not a complete list of all risks which the Group is or may be subject to.

General economic risks

The Group is subject to general risks as well as risks that are specific to the Group and the Group's business activities. Economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's procurement and production activities, as well as its ability to fund those activities.

Products and Raw Material Supply

Any adverse change in the Group's ability to procure raw materials and products could adversely affect impact the operations and profitability of the business. Big River maintains a diverse range of reputable suppliers both locally and internationally that they have developed long term relationships with.

Work Health and Safety

Big River is focused on safety of its staff and customers. Occupational accidents and health hazards can result in employee injuries, legal liabilities, increased insurance costs, and operational disruptions.

Key Personnel risks

Big River's success depends on the continued active participation of its key personnel. If Big River were to lose any of its key personnel or if it were unable to employ additional or replacement personnel, its operations and financial results could be adversely affected.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from several sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Group is committed to preventing and reducing cyber security risks through ongoing management of the risks and continuous review.

Climate related

There may be climate related factors which impact Big River's operations in both the near and longer term. For example, these impacts could be in areas such as availability and cost of materials used in Big River's products or manufacturing processes, transport and/or occurrence of extreme weather events. Any significant or sustained impacts could adversely affect Big River's financial performance and/or financial position.

Directors' Report

30 June 2023

Significant changes in the state of affairs

Acquisition of businesses

F.A. Mitchell & Co Pty Ltd ('Mitchell')
On 7 July 2022, the Group executed a business purchase deed to acquire the business and assets of F.A. Mitchell & Co Pty Ltd ('Mitchell'), a business located in Lidcombe, NSW. Completion was effective from 1 August 2022 with a purchase price of $598,000 paid in cash, which includes inventory and plant and equipment. The acquisition contributed $4.2 million to revenue and $0.2 million to net profit after tax of the Group for the year ended 30 June 2023.

Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber')
On 14 November 2022, the Group executed a business purchase deed to acquire the business and assets of Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber'), a business located in Epping and Beaufort, VIC. Completion was effective from 1 December 2022 and the maximum purchase price of $6 million, which includes inventory, and plant and equipment, was settled through the payment of $5 million in cash, with the balance payable upon achieving agreed EBITDA targets over a two year period. The acquisition contributed $10.4 million to revenue and $0.5 million to net profit after tax of the Group for the year ended 30 June 2023.

Resignation and appointment of CEO
Jim Bindon tendered his resignation as Managing Director and CEO on 5 September 2022. Subsequently, John Lorente was appointed as Managing Director and CEO effective 1 March 2023. Jim Bindon stepped down from his roles on 1 March 2023, but remained in the business until 31 March 2023.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
The building products market is closely linked to activity levels in the residential, commercial, civil and infrastructure construction industry (comprising both new builds and additions and alterations) in Australia. The industry is cyclical and is sensitive to a broad range of economic and other factors.

The higher than cycle gross margins achieved in the past 18 to 24 months, have eased the second half of FY2023 with an improvement in overseas supply. However, this will be offset in part from some local suppliers where labour and energy costs increases will likely impact. The diversity of our supply chain has us well positioned to maximise the upside.

The Group has a strong balance sheet and a healthy undrawn banking facility which will continue to support the Group expansion strategy. The acquisition pipeline remains strong, and we are in a good position to deliver new opportunities in the next 12 to 24 months in line with our strategy.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Directors' Report

30 June 2023

Information on directors

Name:	**John Lorente**
Title:	Managing Director and Chief Executive Officer (appointed 1 March 2023)
Qualifications:	John holds a Bachelor of Science from the University of Sydney, a Masters of Business Administration from Macquarie Graduate School of Management and is an Affiliate of the Australian Institute of Company Directors (AICD).
Experience and expertise:	John Lorente joined Big River in February 2018 and was appointed Managing Director and CEO on 1 March, 2023. Prior to joining Big River, John worked for GWA Group Ltd (a leading supplier of building fixtures and fittings) for 12 years where he had various roles in state management and national management within both the Heating and Cooling, and Kitchens and Bathroom divisions which included roles in both Australia and the USA. Prior to his time at GWA Group Ltd, John worked for several years in the coatings and construction markets, including roles with Mirotone, Polycure and Corian.
Other current directorships:	Director of Natbuild (National Building Supplies) Group Pty Ltd since November 2022 (non-listed)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	134,435 ordinary shares (directly) 36,588 ordinary shares (indirectly)
Interests in rights:	238,047 performance rights (directly)

Name:	**Malcolm Geoffrey Jackman**
Title:	Independent Non-Executive Chair (Retiring at the 2023 AGM in October 2023)
Qualifications:	Malcolm has a Bachelor of Science in Pure Mathematics and a Bachelor of Commerce in Accounting from Auckland University. He is a fellow of the Australian Institute of Directors and a recipient of the Centenary of Federation Medal.
Experience and expertise:	Malcolm has been an independent Non-Executive Director of the Company since February 2016 and became Chairman on 31 July 2019. Malcolm has also been a director of Big River Group Pty Limited since February 2016. Malcolm is a member of the Anacacia Capital Business Advisory Council.
Other current directorships:	Independent Non-Executive Chair of Force Fire Pty Ltd (non-listed) and Harold and Kite Pty Ltd (non-listed)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Board
Interests in shares:	135,340 ordinary shares (indirectly)
Interests in rights:	None

Directors' Report

30 June 2023

Name:	**Martin Monro**
Title:	Non-Executive Director (Chair-Elect from 2023 AGM in October 2023)
Qualifications:	Martin has a BA with a double major in Psychology from Flinders University and post-graduate qualifications in Human Resources Management from Charles Sturt University. He is a graduate of the London Business School Accelerated Development Programme, a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Building.
Experience and expertise:	Martin was formerly the Chief Executive Officer and Managing Director of Watpac Limited from August 2012 until his retirement in an executive capacity in June 2019. Martin has more than 30 years' experience in the Australian and International construction sectors, with a proven track record in prudent financial management, safety leadership and successful expansion into new markets. Martin remains a Non-Executive Director of Watpac Limited (now BESIX Watpac). Since June 2020, Martin has been a Non-Executive Director of Fleetwood Limited and Chair of its Risk Committee, and in September 2022 joined the board of Service Stream Limited as a Non-Executive Director. Martin is also a Specialist Workplace Relations Advisor to the Board of the Australian Constructors Association where he was a Director from 2012 until 2019 and currently Chairs the advisory board of private wine making company Pannell Enoteca.
Other current directorships:	Fleetwood Limited (ASX: FWD and Service Stream Limited (ASX: SSM)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and member of the Nomination and Remuneration Committee
Interests in shares:	27,104 ordinary shares (directly)
Interests in rights:	None

Name:	**Martin Kaplan**
Title:	Non-Executive Director
Qualifications:	Martin holds a Bachelor of Commerce degree from the University of Cape Town and previously qualified as a Chartered Accountant (South Africa & Canada).
Experience and expertise:	Martin has been a Non-Executive Director of the Company since November 2015 and a director of Big River Group Pty Limited since February 2016. Martin is currently an Investment Director of Anacacia Capital Pty Ltd, the management company of the major shareholder Anacacia Partnership II, L.P.
Other current directorships:	Non-Executive Director of Direct Couriers Group Pty Ltd (non-listed)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration Committee
Interests in shares:	Martin is an Investment Director of Anacacia Capital Pty Ltd which manages the interests of Anacacia Partnership II, L.P., a substantial shareholder of the Company. Martin does not have a relevant interest in those shares for the purposes of the Corporations Act 2001.
Interests in shares:	None
Interests in rights:	None

Directors' Report
30 June 2023

Name:	**Vicky Papachristos**
Title:	Independent Non-Executive Director
Qualifications:	Vicky holds an Engineering degree from Monash University, an MBA from the Australian Graduate School of Management and is a member of the Australian Institute of Company Directors.
Experience and expertise:	Vicky is an experienced Non-Executive Director for over 10 years and has served on public, private and not-for-profit Boards including Eftpos, Mt Baw Baw Alpine Resort, Coventry Group and Scale Investors. In her corporate career she has experience in blue chip companies, as well as running her own marketing and customer strategy management consultancy firm. Vicky has been involved across various strategic and business development roles with organisations including Shell, Westpac, and Myer.
Other current directorships:	Non-Executive Director of Aussie Broadband Limited (ASX: ABB) and Non-Executive Director of GMHBA Limited
Former directorships (last 3 years):	Non-Executive Director of Scale Investors Limited
Special responsibilities:	Chair of the Nomination and Remuneration Committee
Interests in shares:	34,968 ordinary shares (indirectly)
Interests in rights:	None

Name:	**Brendan York**
Title:	Non-Executive Director
Qualifications:	Brendan is a Chartered Accountant and has a Bachelor of Business Administration and a Bachelor of Commerce from Macquarie University.
Experience and expertise:	Brendan has been a Non-Executive Director of the Company since October 2019. He is currently a portfolio manager of Naos Asset Management Limited. Brendan was previously the Chief Financial Officer of ASX Listed Enero Group Ltd.
Other current directorships:	Non-Executive Director of BSA Limited (ASX: BSA), Non-Executive Director of Wingara AG Limited (ASX: WNR), Non-Executive Director of BTC Health Limited (ASX: BTC), Non-Executive Director of Saunders International Ltd (ASX: SND) and Non-Executive Director of Mitchcap Pty Ltd (non-listed).
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	None
Interests in rights:	None

Name:	**Brad Soller**
Title:	Non-Executive Director (appointed 10 September 2021)
Qualifications:	Brad is a Chartered Accountant and has a Master of Commerce, a Bachelor of Accounting and a Bachelor of Commerce from the University of Witwatersrand.
Experience and expertise:	Brad is a very experienced senior financial executive and previously held the roles of Chief Financial Officer at Metcash, David Jones and Lendlease Group.
Other current directorships:	Non-Executive Director of Bapcor Limited (ASX: BAP) and Non-Executive Director of Reliance Worldwide Corporation Limited (ASX: RWC)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	13,552 ordinary shares (directly)
Interests in rights:	None

Directors' Report

30 June 2023

Name:	**James Bernard Bindon**
Title:	Former Managing Director and Chief Executive Officer (until 1 March 2023 and formally resigned 31 March 2023)
Qualifications:	James ('Jim') holds a Bachelor of Agricultural Economics (Honours) from the University of New England and a Masters of Business Administration from the University of Queensland. Jim is a member of the Australian Institute of Company Directors.
Experience and expertise:	Jim joined Big River in January 2001 and has been Chief Executive Officer and Managing Director since 2005. He has been a director of Big River Group Pty Limited since July 2005 and a director of the Company since February 2016. Prior to his current role as Chief Executive Officer and Managing Director, Jim was the Chief Financial Officer and Company Secretary from 2001 to 2005. Prior to working at Big River, Jim held the position of Business Manager of Sugar and Horticulture at Incitec, where he was responsible for segment profitability, strategy and marketing.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	840,480 ordinary shares (held indirectly on the date he ceased to be a director)
Interests in rights:	296,610 performance rights

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Interests in shares' and 'interests in rights' are as at the date of this report.

Company Secretary

John O'Connor
John O'Connor was appointed to the position of Company Secretary on 22 August 2022. John has a BComm, is a Chartered Management Accountant and a Graduate of the Australian Institute of Company Directors. He has over 30 years' experience in senior finance roles.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
J Lorente	4	4	-	-	-	-
M Jackman	10	10	-	-	-	-
M Monro	10	10	4	4	4	4
M Kaplan	10	10	4	4	-	-
V Papachristos	10	10	4	4	-	-
B York	10	10	-	-	4	4
B Soller	10	10	-	-	4	4
J Bindon	6	6	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations, and explains how the Group's performance has driven remuneration outcomes.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The key management personnel of the Group are the directors of Big River Industries Limited and the following person:
- John O'Connor - Chief Financial Officer and Company Secretary (appointed effective 22 August 2022)

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for:
- determining and reviewing remuneration arrangements for its directors and executives;
- the operation of incentive plans, including equity-based remuneration plans for senior executives;
- reviewing Board and senior executive succession plans; and
- recommending the appointment of any new directors.

The quality of the directors and executives is a major factor in the overall performance of the Group. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to achievement of the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component;
- focusing on sustained growth in shareholder value and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder value; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Directors' Report

30 June 2023

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Unless otherwise determined by a resolution of shareholders, the maximum aggregate remuneration payable by the Company to all non-executive directors of the Company for their services as directors, including their services on a Board Committee or Sub-Committee and including superannuation is limited to $500,000 per annum (in total).

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework currently has three components:
- fixed base salary, including superannuation and non-monetary benefits;
- short-term performance incentives; and
- long-term performance incentives.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group.

The short-term incentive ('STI') program is designed to align the targets of the business with the performance hurdles of executives. STI payments made to executives are at the discretion of the Board and are based on the achievement of financial hurdles, principally relating to EBITDA performance, and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, cash management, customer satisfaction, safety performance, leadership contribution and product management.

The STI's are paid in cash following the end of the financial year and approval from the Nomination and Remuneration Committee. The Nomination and Remuneration Committee retains the discretion to withdraw or amend the STI at any time.

The long-term incentive program ('LTI') is designed to create an alignment between shareholders and the remuneration of key executives and senior managers through the issue of Performance Rights. The number of Performance Rights vesting will be determined by reference to the compound annual growth rate ('CAGR') in Earnings Per Share ('EPS') over the vesting period and ranges from nil for less than 3% CAGR in EPS to 100% for greater than 10% CAGR in EPS, subject to an overriding discretion held by the Board. The Board considers CAGR in EPS to be an appropriate performance measure as it aligns with the Group's remuneration policy of creating shareholder value and is within the scope of influence of the selected executives.

Group performance and link to remuneration

Remuneration for the senior executives is directly linked to the performance of the Group. A portion of their STI is dependent on meeting the Board approved Annual Budget for operating EBITDA. The remaining portion of the STI is based on performance against objectives. In the event of a senior executive leaving during a financial year, any STI payable is at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings for the last five years.

Use of remuneration consultants

During the financial year ended 30 June 2023, the Group did not engage remuneration consultants.

Directors' Report
30 June 2023

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')
At the 25 October 2022 AGM, 99.89% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Leave benefits $	Perform-ance rights $	Total $
Non-Executive Directors:							
M Jackman	109,091	-	-	11,455	-	-	120,546
M Monro	63,637	-	-	6,682	-	-	70,319
M Kaplan*	-	-	-	-	-	-	-
V Papachristos	77,273	-	-	8,114	-	-	85,387
B York	63,637	-	-	6,682	-	-	70,319
B Soller	77,273	-	-	8,114	-	-	85,387
Executive Directors:							
J Lorente**	147,202	28,038	-	8,567	12,831	42,012	238,650
J Bindon***	330,462	95,000	-	19,510	(10,523)	150,974	585,423
Other Key Management Personnel:							
J O'Connor****	298,365	48,159	-	23,269	644	51,451	421,888
	1,166,940	171,197	-	92,393	2,952	244,437	1,677,919

* M Kaplan waived his director's fees (including any committee fee to which he is entitled) during the financial year ended 30 June 2023.

** Remuneration is from date of appointment as CEO on 1 March 2023 to 30 June 2023.

*** Remuneration is from 1 July 2022 to date of resignation as a director or key management personnel.

**** Remuneration is from date of appointment as key management personnel on 22 August 2022 to 30 June 2023.

'Long-term benefits' represent payment of accrued leave entitlements on termination, and movements in accrued long service and annual leave entitlements.

Total remuneration paid to non-executive directors for the year ending 30 June 2023 amounted to $431,958 (30 June 2022: $396,676) which is 86.4% (30 June 2022: 79.3%) of the non-executive directors aggregate.

Directors' Report

30 June 2023

2022	Cash salary and fees $	Short-term benefits Cash bonus $	Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Leave benefits $	Share-based payments Performance rights** $	Total $
Non-Executive Directors:							
M Jackman	109,110	-	-	10,911	-	-	120,021
M Monro	49,930	-	-	4,993	-	-	54,923
M Kaplan*	-	-	-	-	-	-	-
V Papachristos	77,286	-	-	7,729	-	-	85,015
B York	63,659	-	-	6,366	-	-	70,025
B Soller	60,629	-	-	6,063	-	-	66,692
Executive Directors:							
J Lorente	-	-	-	-	-	-	-
J Bindon	474,616	175,000	-	25,962	18,152	360,209	1,053,939
Other Key Management Personnel:							
J O'Connor	-	-	-	-	-	-	-
	835,230	175,000	-	62,024	18,152	360,209	1,450,615

* M Kaplan waived his director's fees (including any committee fee to which he is entitled) during the financial year ended 30 June 2022.

** The value of the performance rights was determined as the fair value of the performance rights at the grant date. The value disclosed is the portion of the fair value of the rights recognised as an expense in the reporting period. At 30 June 2022 no performance rights have vested and the actual value is nil.

'Long-term benefits' represent movements in accrued long service leave and annual leave entitlements.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2023	Fixed remuneration 2022	At risk - STI 2023	At risk - STI 2022	At risk - LTI 2023	At risk - LTI 2022
Executive Directors:						
J Lorente	71%	-	12%	-	17%	-
J Bindon	58%	49%	16%	17%	26%	34%
Other Key Management Personnel:						
J O'Connor	77%	-	11%	-	12%	-

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Maximum STI $	Actual STI $	Cash bonus paid/payable 2023	Cash bonus paid/payable 2022	Cash bonus forfeited 2023	Cash bonus forfeited 2022
Executive Directors:						
J Lorente*	70,095	28,038	40%	-	60%	-
J Bindon	227,250	95,000	42%	77%	56%	23%
Other Key Management Personnel:						
J O'Connor	120,398	48,159	40%	-	60%	-

* STI is from date of appointment as director on 1 March 2023 to 30 June 2023.

Directors' Report

30 June 2023

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**J Lorente**
Title:	Managing Director and Chief Executive Officer (appointed 1 March 2023)
Agreement commenced:	1 March 2023
Term of agreement:	No fixed term
Details:	Total fixed employment cost ('TFEC') of $500,000 per annum including statutory superannuation contributions. Either John or the Company may terminate the employment contract by giving six months' written notice to the other party. A Short Term Incentive ('STI') is payable up to 45% of TFEC subject to the achievement of financial hurdles, principally relating to EBITDA performance, and for the achievement of personal business objectives.

Name:	**John O'Connor**
Title:	Chief Financial Officer and Company Secretary (appointed effective 22 August 2022)
Agreement commenced:	22 August 2022
Term of agreement:	No fixed term
Details:	Total fixed employment cost ('TFEC') of $390,000 per annum including statutory superannuation contributions. John may terminate his employment contract by giving three months' written notice to the Company and the Company may terminate the employment contract by giving three months' written notice to John. A Short Term Incentive ('STI') is payable up to 36% of TFEC subject to the achievement of financial hurdles, principally relating to EBITDA performance, and for the achievement of personal business objectives.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Date	Shares	Issue price	$
J Bindon	2 September 2022	307,147	$2.31	709,510

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Measurement period*	Expiry date**	Fair value per right at grant date
J Lorente	97,511	1 December 2020	30 June 2023	1 December 2025	$1.312
	66,173	17 December 2021	30 June 2024	17 December 2026	$1.968
	74,363	14 October 2022	30 June 2025	14 October 2027	$1.614
J O'Connor	76,098	24 February 2023	30 June 2025	14 October 2027	$2.028
J Bindon***	204,221	1 December 2020	30 June 2023	1 December 2025	$1.312
	92,389	17 December 2021	30 June 2024	17 December 2026	$1.968

* Measurement period represents the financial year ended date for the measurement of vesting conditions for performance rights. Performance rights vest following confirmation of the achievement of vesting conditions in August following the end of the measurement period.

** The expiry date represents the last possible date that vested performance rights can be converted to shares in the Company if not exercised prior.

*** Represents performance rights retained after termination of employment.

Directors' Report

30 June 2023

Performance rights granted carry no dividend or voting rights. On exercise of rights, the Board will determine at its discretion whether to settle the exercised rights in shares, cash, or a combination thereof. Performance rights that are not forfeited on cessation of employment will be retained for testing for vesting at the end of the relevant measurement period.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Number of rights granted during the year 2023	Number of rights granted during the year 2022	Number of rights vested during the year 2023	Number of rights vested during the year 2022
J Lorente*	-	-	-	-
J Bindon	-	158,381	307,147	-
J O'Connor	76,098	-	-	-

* Rights granted/vested are from date of appointment as CEO on 1 March 2023 to 30 June 2023.

Additional information

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019* $'000
Sales revenue	449,451	409,263	281,382	248,924	217,794
EBITDA	51,544	48,040	22,548	17,289	9,820
Profit after income tax (pre-significant items)	23,188	22,518	7,849	4,660	4,358
Profit after income tax (statutory)	22,176	21,267	1,817	4,444	3,857

* 2019 is pre-AASB 16.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Earnings per share pre-significant items (cents per share)	27.98	27.56	11.15	7.49	8.18
Earnings per share (statutory) (cents per share)	26.76	26.03	2.58	7.14	7.24

The Board considers the achievement of EPS growth as aligned and a key factor to the creation of shareholder value and this reinforces the remuneration principles set out in this Remuneration report.

Directors' Report

30 June 2023

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
J Lorente*	171,023	-	-	-	171,023
M Jackman	124,830	-	10,510	-	135,340
M Monro	25,000	-	2,104	-	27,104
M Kaplan	-	-	-	-	-
V Papachristos	32,252	-	2,716	-	34,968
B York	-	-	-	-	-
B Soller	12,500	-	1,052	-	13,552
J Bindon**	533,333	307,147	-	(840,480)	-
J O'Connor	-	-	-	-	-
	898,938	307,147	16,382	(840,480)	381,987

* Balance at the start of the year represents existing holding at date of appointment as a director.

** Disposals/other represents the key management personnel is no longer a director or key management personnel during the year, not necessarily a disposal of holding.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
J Lorente*	238,047	-	-	-	238,047
J Bindon**	688,315	-	(307,147)	(381,168)	-
J O'Connor	-	76,098	-	-	76,098
	926,362	76,098	(307,147)	(381,168)	314,145

* Balance at the start of the year represents existing holding at date of appointment as a director.

** Expired/forfeited/other represents no longer a key management personnel, not necessarily a disposal of holding.

This concludes the remuneration report, which has been audited.

Shares under performance rights

Unissued ordinary shares of Big River Industries Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number of rights
1 December 2020	1 December 2025	483,623
17 December 2021	17 December 2026	344,743
14 October 2022	14 October 2027	249,219
24 February 2023	14 October 2027	76,098
		1,153,683

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

The following ordinary shares of Big River Industries Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
28 November 2019	$2.31	677,590

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 33 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 33 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Auditor's independence declaration

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

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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

On behalf of the directors

____
Malcolm Jackman
Chairman

____
John Lorente
Managing Director and Chief Executive Officer

23 August 2023
Sydney

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
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Quay Quarter Tower
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Australia

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www.deloitte.com.au

The Board of Directors
Big River Industries Limited
Trenayr Road
Junction Hill NSW 2460

23 August 2023

Dear Board Members

Auditor's Independence Declaration to
Big River Industries Limited

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

As lead audit partner for the audit of the financial statements of Big River Industries Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Haynes

David Haynes
Partner
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	Note	2023 $'000	Group 2022 $'000
Revenue	5	449,451	409,263
Other income	6	95	62
Expenses			
Raw materials and consumables used	7	(326,157)	(299,247)
Selling and distribution expense		(7,318)	(6,993)
Employee benefits expense	7	(45,353)	(38,785)
Occupancy expense		(4,415)	(3,944)
General and administration expense		(13,777)	(10,600)
Acquisition costs	7	(561)	(1,020)
Depreciation and amortisation expense	7	(13,849)	(12,240)
Impairment of receivables	11	(1,568)	(2,625)
Recovery of assets and restructuring costs	8	-	709
Finance costs	7	(4,793)	(3,224)
Profit before income tax expense		31,755	31,356
Income tax expense	9	(9,579)	(10,089)
Profit after income tax expense for the year attributable to the owners of Big River Industries Limited	28	22,176	21,267
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		236	-
Foreign currency translation		436	(764)
Other comprehensive income/(loss) for the year, net of tax		672	(764)
Total comprehensive income for the year attributable to the owners of Big River Industries Limited		22,848	20,503
		Cents	**Cents**
Basic earnings per share	41	26.76	26.03
Diluted earnings per share	41	26.34	25.51

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

Statement of Financial Position

as at 30 June 2023

	Note	Group 2023 $'000	Group 2022 $'000
Assets			
Current assets			
Cash and cash equivalents	10	34,291	19,796
Trade and other receivables	11	59,918	63,414
Inventories	12	69,539	72,815
Financial assets	13	226	113
Derivative financial instruments	14	61	-
Other assets	15	962	499
		164,997	156,637
Non-current assets classified as held for sale	16	-	2,701
Total current assets		164,997	159,338
Non-current assets			
Derivative financial instruments	14	174	-
Property, plant and equipment	17	23,851	21,944
Right-of-use assets	18	25,510	21,511
Intangibles	19	60,767	58,427
Deferred tax	9	298	21
Total non-current assets		110,600	101,903
Total assets		275,597	261,241
Liabilities			
Current liabilities			
Trade and other payables	20	59,666	61,881
Borrowings	21	2,618	2,538
Lease liabilities	22	8,576	7,794
Income tax	9	5,398	5,290
Provisions	23	7,369	6,938
Contingent consideration	24	3,602	3,513
Other liabilities	25	2,324	2,324
Total current liabilities		89,553	90,278
Non-current liabilities			
Borrowings	21	41,000	36,000
Lease liabilities	22	20,228	17,432
Deferred tax	9	794	-
Provisions	23	1,111	756
Contingent consideration	24	2,200	4,355
Total non-current liabilities		65,333	58,543
Total liabilities		154,886	148,821
Net assets		120,711	112,420
Equity			
Issued capital	26	98,517	96,665
Reserves	27	24	331
Retained profits	28	22,170	15,424
Total equity		120,711	112,420

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

Statement of Changes in Equity

for the year ended 30 June 2023

Group	Issued capital $'000	Foreign currency translation reserve $'000	Hedging reserve - cash flow hedges $'000	Share-based payments reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2021	93,409	(419)	-	605	1,096	94,691
Profit after income tax expense for the year	-	-	-	-	21,267	21,267
Other comprehensive loss for the year, net of tax	-	(764)	-	-	-	(764)
Total comprehensive income/(loss) for the year	-	(764)	-	-	21,267	20,503
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 26)	3,256	-	-	-	-	3,256
Share-based payments (note 42)	-	-	-	909	-	909
Dividends paid (note 29)	-	-	-	-	(6,939)	(6,939)
Balance at 30 June 2022	96,665	(1,183)	-	1,514	15,424	112,420

Group	Issued capital $'000	Foreign currency translation reserve $'000	Hedging reserve - cash flow hedges $'000	Share-based payments reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2022	96,665	(1,183)	-	1,514	15,424	112,420
Profit after income tax expense for the year	-	-	-	-	22,176	22,176
Other comprehensive income for the year, net of tax	-	436	236	-	-	672
Total comprehensive income for the year	-	436	236	-	22,176	22,848
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 26)	287	-	-	-	-	287
Share-based payments (note 42)	-	-	-	586	-	586
Vesting of performance rights	1,565	-	-	(1,565)	-	-
Dividends paid (note 29)	-	-	-	-	(15,430)	(15,430)
Balance at 30 June 2023	98,517	(747)	236	535	22,170	120,711

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

Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 $'000	Group 2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		497,811	434,762
Payments to suppliers and employees (inclusive of GST)		(441,162)	(397,294)
		56,649	37,468
Government grant		1,000	5,000
Interest and other finance costs paid		(3,105)	(2,446)
Income taxes paid		(9,299)	(2,862)
Net cash from operating activities	40	45,245	37,160
Cash flows from investing activities			
Payment for acquisition of businesses	37	(5,594)	(13,455)
Payments for investments	13	(113)	(113)
Payments for property, plant and equipment, net of lease finance	17	(4,342)	(6,065)
Payments for intangibles	19	-	(164)
Payments of deferred consideration	24	(3,641)	(2,022)
Proceeds from disposal of held for sale asset		2,701	-
Proceeds from disposal of property, plant and equipment		206	154
Net cash used in investing activities		(10,783)	(21,665)
Cash flows from financing activities			
Share issue transaction costs		-	(10)
Proceeds from borrowings		5,000	10,000
Net lease repayments		(9,914)	(7,850)
Dividends paid, net of reinvestment plan	29	(15,143)	(6,700)
Net cash used in financing activities		(20,057)	(4,560)
Net increase in cash and cash equivalents		14,405	10,935
Cash and cash equivalents at the beginning of the financial year		17,258	6,447
Effects of exchange rate changes on cash and cash equivalents		10	(124)
Cash and cash equivalents at the end of the financial year	10	31,673	17,258

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

Notes to the Financial Statements

30 June 2023

Note 1. General information

The financial statements cover Big River Industries Limited as a Group consisting of Big River Industries Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ('Group'). The financial statements are presented in Australian dollars, which is Big River Industries Limited's functional and presentation currency.

Big River Industries Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Trenayr Road
Junction Hill NSW 2460

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 August 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 36.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Big River Industries Limited as at 30 June 2023 and the results of all subsidiaries for the year then ended.

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 de-consolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

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.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Big River Industries Limited's functional and presentation currency.

Foreign currency transactions

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

Foreign operations

The assets and liabilities of foreign operations are translated into the functional currency using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

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

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

Note 2. Significant accounting policies (continued)

Sale of goods
Sale of goods revenue is recognised at the point in time when the performance obligation has been satisfied, which is when the customer obtains control of the goods, which is generally at the time of delivery.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Government grant
Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the periods necessary to match them with the costs that they are intended to compensate.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

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

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

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

Note 2. Significant accounting policies (continued)

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

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

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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

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

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

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges
Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘other gains and losses’ line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Notes to the Financial Statements

30 June 2023

Note 2. Significant accounting policies (continued)

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overhead.

Note 2. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	25 to 40 years
Plant and equipment	3 to 25 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

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

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

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

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to 7 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to 7 years.

Product development

Product development has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the useful life of up to 8 years.

Notes to the Financial Statements

30 June 2023

Note 2. Significant accounting policies (continued)

Brands

Brands acquired in a business combination are not amortised on the basis that it has an indefinite life. Management considers that the useful life of brands is indefinite because there is no foreseeable limit to the cash flows this asset can generate. This is reassessed every year. Instead, it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a post-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables 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.

Borrowings

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

Lease liabilities

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

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

Finance costs

Finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, 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.

Notes to the Financial Statements

30 June 2023

Note 2. Significant accounting policies (continued)

Other 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 are 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 wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

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

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

Note 2. Significant accounting policies (continued)

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

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

Issued capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Big River Industries Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives
Certain comparatives have been reclassified to align with current year disclosure. There has been no change to net assets, equity or profit for the year of any reclassification.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill
The Group assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 4. Operating segments

Identification of reportable operating segments
The directors have identified the Group's operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources. Discrete financial information about these operating segments is reported on at least a monthly basis.

The information reported to the Chief Executive Officer is aggregated based on product types and nature of the underlying activities which the Group operates. The Group’s reportable segments are as follows:

Panels	Comprised of three manufacturing and six distribution sites of timber panel products in Australia and New Zealand
Construction	Comprised of seventeen sites which sell building, commercial and formwork products in Australia

Sales between segments are based on similar terms and conditions to those in place with third party customers and are eliminated from the results below.

The directors consider Revenue and EBITDA* as the Group's key segment measures.

EBITDA* is measured pre significant items which are presented separately due to their nature, size and expected infrequent occurrence and therefore do not reflect the underlying trading of the Group.

Notes to the Financial Statements

30 June 2023

Note 4. Operating segments (continued)

Operating segment information

Group - 2023	Panels $'000	Construction $'000	Corporate (unallocated) $'000	Total $'000
Revenue				
Sales to external customers	128,456	320,995	-	449,451
Total revenue	128,456	320,995	-	449,451
EBITDA* (pre significant items)	19,176	39,345	(6,977)	51,544
Depreciation and amortisation				(13,849)
Finance costs				(4,793)
Significant items				(1,147)
Profit before income tax expense				31,755
Income tax expense				(9,579)
Profit after income tax expense				**22,176**

Group - 2022	Panels $'000	Construction $'000	Corporate (unallocated) $'000	Total $'000
Revenue				
Sales to external customers	117,100	292,163	-	409,263
Total revenue	117,100	292,163	-	409,263
EBITDA* (pre significant items)	21,400	31,900	(5,260)	48,040
Depreciation and amortisation				(12,240)
Finance costs				(3,224)
Significant items				(1,220)
Profit before income tax expense				31,356
Income tax expense				(10,089)
Profit after income tax expense				**21,267**

Geographical information

	Revenue from external customers		**Geographical non-current assets**	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Australia	416,380	376,329	92,797	83,660
New Zealand	33,071	32,934	17,505	18,222
	449,451	409,263	110,302	101,882

There is no single customer with 10% or more of revenue.

The geographical non-current assets above are exclusive of deferred tax assets.

* EBITDA is net profit before interest, taxes, depreciation, amortisation and significant costs which are share-based remuneration, acquisition costs and restructuring costs.

Notes to the Financial Statements
30 June 2023

Note 5. Revenue

	Group 2023 $'000	2022 $'000
Sale of goods	449,451	409,263

Disaggregation of revenue
Disaggregation of revenue is disclosed in note 4. All of the Group's revenue is recognised at a point in time.

Note 6. Other income

	Group 2023 $'000	2022 $'000
Net gain on disposal of property, plant and equipment	95	62

Notes to the Financial Statements
30 June 2023

Note 7. Expenses

	2023 $'000	Group 2022 $'000
Profit before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	326,157	299,247
Depreciation		
Buildings	62	163
Plant and equipment	2,671	2,565
Plant and equipment under lease	498	584
Buildings right-of-use assets	8,204	7,490
Total depreciation	11,435	10,802
Amortisation		
Customer relationships	2,092	1,116
Software	298	286
Product development	24	36
Total amortisation	2,414	1,438
Total depreciation and amortisation	13,849	12,240
Employee benefits expense		
Salaries and wages (including annual leave and long service leave)	40,901	34,719
Superannuation	3,866	3,157
Share-based remuneration	586	909
Total employee benefits expense	45,353	38,785
Finance costs		
Interest and finance charges paid/payable on borrowings	3,105	1,661
Interest and finance charges paid/payable on lease liabilities	966	784
Unwind of interest on contingent consideration	722	779
Finance costs expensed	4,793	3,224
Expenses associated with business combinations		
Acquisition costs	561	1,020

Note 8. Recovery of assets and restructuring costs

	2023 $'000	Group 2022 $'000
Buildings (note 17)	-	(316)
Site restoration cost provision	-	(338)
Redundancy costs	-	(55)
	-	(709)
Tax benefit	-	213
Net impact after tax	-	(496)

Notes to the Financial Statements

30 June 2023

Note 9. Income tax

	Group 2023 $'000	Group 2022 $'000
Income tax expense		
Current tax	9,504	7,128
Deferred tax - origination and reversal of temporary differences	191	2,987
Adjustment recognised for prior periods (current tax)	(116)	(26)
Aggregate income tax expense	9,579	10,089
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	31,755	31,356
Tax at the statutory tax rate of 30%	9,527	9,407
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based remuneration	176	273
Sundry items	65	541
	9,768	10,221
Adjustment recognised for prior periods (current tax)	(116)	(26)
Difference in overseas tax rates	(73)	(106)
Income tax expense	9,579	10,089

The standard rate of corporation tax applied to taxable profit is 30% (30 June 2022: 30%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

	Group 2023 $'000	Group 2022 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Allowance for expected credit losses	1,047	1,038
Employee benefits	2,402	2,339
Leases	8,092	6,705
Capital raise expenses	191	318
Rehabilitation provision	-	20
Other provisions and accruals	1,452	1,236
	13,184	11,656
Less: offset*	(12,886)	(11,635)
Deferred tax asset	298	21

Note 9. Income tax (continued)

	Group 2023 $'000	Group 2022 $'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant and equipment	2,319	1,290
Right-of-use assets	7,687	6,342
Customer relationships	2,735	2,847
Brand	849	849
Present value on contingent consideration	90	307
	13,680	11,635
Less: offset*	(12,886)	(11,635)
Deferred tax liability	794	-

* Deferred tax balances are not fully offset at 30 June 2023 as they do not relate to the same taxable authority.

	Group 2023 $'000	Group 2022 $'000
Reconciliation in movement of deferred tax asset/(liability)		
Balance at beginning of the year	21	5,076
Less: Balance at end of the year	(496)	21
Movement during the year	517	5,055
Recognised in profit or loss	191	2,987
Recognised in goodwill (note 37)	330	2,021
Exchange differences	(4)	47
	517	5,055

	Group 2023 $'000	Group 2022 $'000
Income tax payable		
Current tax payable	5,398	5,290

Notes to the Financial Statements
30 June 2023

Note 10. Cash and cash equivalents

	Group 2023 $'000	2022 $'000
Current assets		
Cash on hand	5,442	3,087
Cash at bank	28,849	16,709
	34,291	19,796

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2023 $'000	2022 $'000
Balances as above	34,291	19,796
Bank overdraft and trade finance (note 21)	(2,618)	(2,538)
Balance as per statement of cash flows	31,673	17,258

Note 11. Trade and other receivables

	Group 2023 $'000	2022 $'000
Current assets		
Trade receivables	60,031	63,671
Less: Allowance for expected credit losses	(3,507)	(3,542)
	56,524	60,129
Other receivables	3,394	2,285
Government grant	-	1,000
	59,918	63,414

The ageing of the trade receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Group	**2023 %**	**2022 %**	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**
Not overdue	1.49%	0.19%	36,339	39,237	541	75
0 to 3 months overdue	3.92%	5.76%	20,195	20,794	792	1,197
Over 3 months overdue	62.17%	62.36%	3,497	3,640	2,174	2,270
			60,031	63,671	3,507	3,542

Debtors are written off when the cash is no longer considered collectable. The Group has insurance policies over a portion of long standing debt which limits its credit risk, and is taking into consideration when determining expected credit loss rate.

The impact of expected credit losses in other receivables is immaterial.

The average credit period on sale of goods is 45 days. No interest is charged on outstanding trade receivables.

Note 11. Trade and other receivables (continued)

The movements in the allowance for expected credit losses in respect of trade receivables during the year was as follows:

	Group 2023 $'000	Group 2022 $'000
Opening balance	3,542	2,154
Additional provisions recognised	1,568	2,625
Receivables written off during the year as uncollectable	(1,603)	(1,237)
Closing balance	3,507	3,542

Note 12. Inventories

	Group 2023 $'000	Group 2022 $'000
Current assets		
Raw materials and work in progress - at cost	1,416	2,533
Finished goods - at cost	70,339	73,088
Less: Provision for stock obsolescence	(2,216)	(2,806)
	69,539	72,815

Note 13. Financial assets

	Group 2023 $'000	Group 2022 $'000
Current assets		
TradeNET Solutions Ltd	226	113

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2023	2022
Opening fair value	113	-
Additions	113	113
Closing fair value	226	113

Refer to note 31 for further information on fair value measurement.

Notes to the Financial Statements

30 June 2023

Note 14. Derivative financial instruments

	Group 2023 $'000	Group 2022 $'000
Current assets		
Forward foreign exchange contracts - cash flow hedges	61	-
Non-current assets		
Forward foreign exchange contracts - cash flow hedges	174	-

Refer to note 31 for further information on fair value measurement.

Note 15. Other assets

	Group 2023 $'000	Group 2022 $'000
Current assets		
Prepayments	830	363
Other deposits	132	136
	962	499

Note 16. Non-current assets classified as held for sale

	Group 2023 $'000	Group 2022 $'000
Current assets		
Buildings	-	2,701

The Company entered into a sale agreement for the land and buildings at its Wagga site in connection with the consolidation project described in note 8. The sale completed in FY2023.

Note 17. Property, plant and equipment

	Group 2023 $'000	Group 2022 $'000
Non-current assets		
Freehold land - at cost	856	856
Buildings - at cost	5,597	2,271
Less: Accumulated depreciation	(1,599)	(1,537)
	3,998	734
Plant and equipment - at cost	41,189	36,141
Less: Accumulated depreciation	(23,352)	(20,499)
	17,837	15,642
Capital work-in-progress - at cost	1,160	4,712
	23,851	21,944

Note 17. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	Freehold land $'000	Buildings $'000	Plant and equipment $'000	Plant and equipment under lease $'000	Capital work-in-progress $'000	Total $'000
Balance at 1 July 2021	856	3,293	13,683	2,449	549	20,830
Additions	-	-	941	961	4,163	6,065
Additions through business combinations (note 37)	-	-	934	-	-	934
Classified as held for sale (note 16)	-	(2,701)	-	-	-	(2,701)
Disposals	-	(11)	(141)	(10)	-	(162)
Exchange differences	-	-	(26)	-	-	(26)
Recovery of assets	-	316	-	-	-	316
Transfers in/(out)	-	-	239	(239)	-	-
Depreciation expense	-	(163)	(2,565)	(584)	-	(3,312)
Balance at 30 June 2022	856	734	13,065	2,577	4,712	21,944
Additions	-	-	1,568	278	2,807	4,653
Additions through business combinations (note 37)	-	-	580	-	-	580
Disposals	-	-	(111)	-	-	(111)
Exchange differences	-	-	16	-	-	16
Transfers in/(out)	-	3,326	3,589	(556)	(6,359)	-
Depreciation expense	-	(62)	(2,671)	(498)	-	(3,231)
Balance at 30 June 2023	856	3,998	16,036	1,801	1,160	23,851

Note 18. Right-of-use assets

	Group 2023 $'000	Group 2022 $'000
Non-current assets		
Buildings - right-of-use	42,547	37,021
Less: Accumulated depreciation	(17,037)	(15,510)
	25,510	21,511

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between 2 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Notes to the Financial Statements

30 June 2023

Note 18. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	Buildings - right-of-use $'000
Balance at 1 July 2021	22,510
Additions	154
Additions through business combinations (note 37)	6,507
Exchange differences	(170)
Depreciation expense	(7,490)
Balance at 30 June 2022	21,511
Additions	1,166
Additions through business combinations (note 37)	1,094
Lease reassessment	9,842
Exchange differences	101
Depreciation expense	(8,204)
Balance at 30 June 2023	25,510

For other AASB 16 and lease related disclosures, refer to the following:

- note 7 for details of interest on lease liabilities and other lease payments;
- note 17 for plant and equipment under lease;
- note 22 for lease liabilities and maturity analysis at 30 June 2023; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 19. Intangibles

	Group 2023 $'000	2022 $'000
Non-current assets		
Goodwill	47,547	44,497
Customer relationships	12,787	13,237
Less: Accumulated amortisation	(3,735)	(3,797)
	9,052	9,440
Software - at cost	2,082	2,082
Less: Accumulated amortisation	(898)	(600)
	1,184	1,482
Product development - at cost	191	191
Less: Accumulated amortisation	(118)	(94)
	73	97
Brand name - at cost	2,911	2,911
	60,767	58,427

Note 19. Intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	Goodwill $'000	Customer relationships $'000	Software $'000	Product development $'000	Brand name $'000	Total $'000
Balance at 1 July 2021	35,351	4,121	1,604	133	2,600	43,809
Additions	-	-	164	-	-	164
Additions through business combinations (note 37)	9,510	6,447	-	-	311	16,268
Exchange differences	(364)	(12)	-	-	-	(376)
Amortisation expense	-	(1,116)	(286)	(36)	-	(1,438)
Balance at 30 June 2022	44,497	9,440	1,482	97	2,911	58,427
Additions through business combinations (note 37)	2,834	1,697	-	-	-	4,531
Exchange differences	216	7	-	-	-	223
Amortisation expense	-	(2,092)	(298)	(24)	-	(2,414)
Balance at 30 June 2023	47,547	9,052	1,184	73	2,911	60,767

Impairment testing
For the purpose of impairment testing, goodwill and brands are allocated to a group of cash generating units ('CGUs'), which are expected to benefit from the synergies of the business combinations.

Goodwill acquired through business combinations is allocated to the lowest level within the entity at which the goodwill is monitored, being the two cash-generating units (or 'CGU's) – Panels and Construction Divisions.

Allocation to CGU's
The carrying amount of goodwill and intangible assets are allocated to the Group's CGUs as follows:

Cash generating units	Goodwill 2023 $'000	Goodwill 2022 $'000	Brand name 2023 $'000	Brand name 2022 $'000
Panels	17,647	17,355	2,729	2,729
Construction	29,900	27,142	182	182
Total	47,547	44,497	2,911	2,911

The recoverable amount of the group of CGUs has been determined based on value-in-use calculations which use cash flow projections from the financial budgets for the FY2024 financial year as reviewed and approved by the Board.

In preparing the FY2024 budget, due consideration was given to the current market and economic conditions. The cash flows beyond the budget period have been extrapolated over a further four years. The value-in-use calculations have been prepared using a compound growth rate of 0.6% (30 June 2022: 2%) and terminal growth rate of 2% (30 June 2022: 2%).

The discount rate applied to cashflow projections which are derived from the Group's weighted average cost of capital, adjusted for varying risk profiles were:
- Pre-tax discount rate 15.6% (30 June 2022: 14.3%)
- Post-tax discount rate 11.3% (30 June 2022: 10.0%)

The two CGU's have been assessed with the same weighted average cost of capital as they have similar economic and risk profiles.

Notes to the Financial Statements

30 June 2023

Note 19. Intangibles (continued)

The key assumptions used in the value-in-use calculation are based on past experience and the Group's forecast operating and financial performance for the CGUs taking into account the current market and economic conditions, risks, uncertainties and opportunities for improvements.

Management has considered possible changes in the key assumptions used in the value-in-use calculations, including reducing the growth rate for the projected cash flow period to 0% and increasing the post-tax discount rate to 13.3% to determine their impact on headroom. Management has not identified any reasonable change in assumptions that would lead to an impairment charge for either CGU.

The Group has concluded that no impairment is required as at 30 June 2023.

Note 20. Trade and other payables

		Group
	2023 $'000	2022 $'000
Current liabilities		
Trade payables	43,587	46,053
Goods and services tax payable	955	1,565
Other payables and accrued expenses	15,124	14,263
	59,666	61,881

Refer to note 30 for further information on financial instruments.

Note 21. Borrowings

		Group
	2023 $'000	2022 $'000
Current liabilities		
Bank overdraft and trade finance	2,618	2,538
Non-current liabilities		
Bank bills	41,000	36,000

Refer to note 30 for further information on financial instruments.

Assets pledged as security
Borrowings are secured by a first registered mortgage over assets of the Group.

Notes to the Financial Statements
30 June 2023

Note 21. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Group 2023 $'000	Group 2022 $'000
Total facilities		
Bank overdraft and trade finance	18,186	18,131
Bank bills	62,000	46,000
Lease facility	5,900	3,900
	86,086	68,031
Used at the reporting date		
Bank overdraft and trade finance	2,618	2,538
Bank bills	41,000	36,000
Lease facility	1,901	2,465
	45,519	41,003
Unused at the reporting date		
Bank overdraft and trade finance	15,568	15,593
Bank bills	21,000	10,000
Lease facility	3,999	1,435
	40,567	27,028

Note 22. Lease liabilities

	Group 2023 $'000	Group 2022 $'000
Current liabilities		
Lease liability - plant and equipment under lease	803	843
Lease liability - right-of-use lease	7,773	6,951
	8,576	7,794
Non-current liabilities		
Lease liability - plant and equipment under lease	1,098	1,622
Lease liability - right-of-use lease	19,130	15,810
	20,228	17,432

Notes to the Financial Statements

30 June 2023

Note 22. Lease liabilities (continued)

The following table details the Group's remaining contractual maturity, both current and non-current, for its lease liabilities:

	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 3 years $'000	Between 3 and 4 years $'000	Between 4 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Group - 2023							
Lease liability - plant and equipment under lease	873	620	380	161	-	-	2,034
Lease liability - right-of-use lease	8,871	7,378	6,411	3,945	2,277	553	29,435
	9,744	7,998	6,791	4,106	2,277	553	31,469
Group - 2022							
Lease liability - plant and equipment under lease	931	794	542	312	63	-	2,642
Lease liability - right-of-use lease	7,573	5,483	4,019	3,562	2,060	1,701	24,398
	8,504	6,277	4,561	3,874	2,123	1,701	27,040

The cash flows in the maturity analysis above include interest and are not expected to occur significantly earlier than contractually disclosed.

Note 23. Provisions

	Group 2023 $'000	Group 2022 $'000
Current liabilities		
Annual leave	3,951	3,548
Long service leave	3,418	3,325
Rehabilitation	-	65
	7,369	6,938
Non-current liabilities		
Long service leave	661	306
Lease make good	450	450
	1,111	756

Rehabilitation
The provision represents the estimated costs to remove equipment and remediate the site at Wagga Wagga NSW upon closure.

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Note 23. Provisions (continued)

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

Group - 2023	Rehabilitation $'000	Lease make good $'000
Carrying amount at the start of the year	65	450
Amounts used	(58)	-
Unused amounts reversed	(7)	-
Carrying amount at the end of the year	-	450

Note 24. Contingent consideration

	2023 $'000	Group 2022 $'000
Current liabilities		
Contingent consideration	3,602	3,513
Non-current liabilities		
Contingent consideration	2,200	4,355

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2023	2022
Opening balance	7,868	7,160
Additions through business combinations (note 37)	853	1,920
Unwind of present value interest	722	778
Payments made during the year	(3,641)	(2,022)
Exchange differences	-	32
Closing balance	5,802	7,868

The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets. It is measured at the fair value of the estimated liability.

Fair value measurement
The below table gives information about how the level 3 fair values measurement of the contingent considerations that are disclosed above and in note 37 are determined (in particular, the valuation technique and inputs used).

Type	Valuation technique	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to value
Contingent consideration through business combinations	The valuation model considers the present value of the expected payments which are determined considering the possible scenarios of forecast EBITDA.	Forecast EBITDA Risk adjusted discount rate	The higher the discount rate, the lower the fair value The higher the amount of EBITDA, the higher the fair value

Notes to the Financial Statements

30 June 2023

Note 25. Other liabilities

	Group 2023 $'000	Group 2022 $'000
Current liabilities		
Deferred revenue	2,324	2,324

Deferred revenue related to the portion of government grant that will be recognised over the life of the associated assets to be acquired. The majority of the assets were commissioned in June 2023.

Note 26. Issued capital

	Group 2023 Shares	Group 2022 Shares	Group 2023 $'000	Group 2022 $'000
Ordinary shares - fully paid	83,037,905	82,227,610	98,517	96,665

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2021	80,625,116		93,409
Issue of shares on completion of Revolution Wood Panels	1 October 2021	496,066	$2.09	1,037
Issue of shares from dividend reinvestment plan	6 October 2021	76,029	$2.03	154
Issue of shares on completion of United Building Products	2 November 2021	993,984	$2.13	2,117
Issue of shares from dividend reinvestment plan	6 April 2022	36,415	$2.32	85
Transaction costs arising on share issue, net of tax				(137)
Balance	30 June 2022	82,227,610		96,665
Issue of shares on exercise of performance rights	2 September 2022	677,590	$2.31	1,565
Issue of shares in relation to dividend reinvestment plan	6 October 2022	109,671	$2.10	230
Issue of shares in relation to dividend reinvestment plan	29 March 2023	23,034	$2.46	57
Balance	30 June 2023	83,037,905		98,517

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 26. Issued capital (continued)

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Note 27. Reserves

		Group
	2023 $'000	2022 $'000
Foreign currency translation reserve	(747)	(1,183)
Hedging reserve - cash flow hedges	236	-
Share-based payments reserve	535	1,514
	24	331

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Hedging reserve - cash flow hedges
The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 28. Retained profits

		Group
	2023 $'000	2022 $'000
Retained profits at the beginning of the financial year	15,424	1,096
Profit after income tax expense for the year	22,176	21,267
Dividends paid (note 29)	(15,430)	(6,939)
Retained profits at the end of the financial year	22,170	15,424

Notes to the Financial Statements

30 June 2023

Note 29. Dividends

Dividends paid

Dividends paid during the financial year were as follows:

	2023 $'000	Group 2022 $'000
Final dividend of 10.0 cents per fully paid ordinary share paid on 6 October 2022 (2022: 3.0 cents paid on 6 October 2021)	8,291	2,419
Interim dividend of 8.6 cents per fully paid ordinary share paid on 29 March 2023 (2022: 5.5 cents paid on 6 April 2022)	7,139	4,520
	15,430	6,939

Dividend declared

On 23 August 2023, the directors determined a fully franked dividend of 8.5 cents per fully paid ordinary share to be paid on 6 October 2023.

Franking credits

	2023 $'000	Group 2022 $'000
Franking credits available at the reporting date based on a tax rate of 30%	20,555	19,838
Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	5,002	4,171
Franking credits available for subsequent financial years based on a tax rate of 30%	25,557	24,009

Note 30. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures which are not significant. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group's operations in NZ give rise to exposure to changes in foreign currency rates, primarily the NZD. The Group's currency risk exposure is limited predominantly to consolidated Australian dollar translation risk as the majority of transactions by the New Zealand operations are transacted by the same functional currency of the relevant transaction.

Where the Group purchases raw materials and consumables in foreign currencies such as USD or Euro, the Group will use forward rate foreign exchange contracts to hedge exposure.

Note 30. Financial instruments (continued)

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The policy is to regularly monitor interest rates and utilise fixed rates for a portion of long-term borrowings when deemed appropriate by the Board.

Cash flow hedges were used to cover the Group's exposure to variability in cash flow relating to interest rates. The effective portion of interest rate swap is recognised in other comprehensive income and accumulated under cash flow hedge reserve at 30 June 2023. No hedge reserve was accounted in prior financial year as the amount was immaterial.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

Group	Weighted average interest rate %	2023 Balance $'000	Weighted average interest rate %	2022 Balance $'000
Bank overdraft and trade finance	9.04%	2,618	3.71%	2,538
Bank bills	6.97%	41,000	3.25%	36,000
Net exposure to cash flow interest rate risk		43,618		38,538

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

An official increase/decrease in interest rates of 100bps (30 June 2022: 100bps) would have an adverse/favourable effect on profit before tax of the following:

	Basis points increase			Basis points decrease		
Group - 2023	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change $'000	Effect on profit before tax $'000	Effect on equity $'000
Variable rate borrowings	(100)	(436)	(305)	100	436	305

	Basis points increase			Basis points decrease		
Group - 2022	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change $'000	Effect on profit before tax $'000	Effect on equity $'000
Variable rate borrowings	(100)	(385)	(270)	100	385	270

The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts. No principal repayments are due during the year ending 30 June 2023 or 30 June 2022.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Note 30. Financial instruments (continued)

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 11, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The Group has no significant credit risk to any individual customer.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Group - 2023	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	43,587	-	-	-	43,587
Other payables and accrued expenses	-	15,124	-	-	-	15,124
Contingent consideration	-	3,750	2,500	-	-	6,250
Interest-bearing - variable						
Bank overdraft and trade finance	9.04%	2,692	-	-	-	2,692
Bank bills	6.97%	2,859	32,319	12,298	-	47,476
Total non-derivatives		68,012	34,819	12,298	-	115,129

Note 30. Financial instruments (continued)

Group - 2022	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	46,053	-	-	-	46,053
Other payables and accrued expenses	-	14,263	-	-	-	14,263
Contingent consideration	-	3,534	2,758	1,576	-	7,868
Interest-bearing - variable						
Bank overdraft and trade finance	3.71%	2,538	-	-	-	2,538
Bank bills	3.25%	1,170	36,879	-	-	38,049
Total non-derivatives		67,558	39,637	1,576	-	108,771

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Remaining contractual maturities for leases in the current year are now disclosed in non-current liabilities - lease liabilities (refer to note 22).

Note 31. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Group - 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Ordinary shares	-	-	226	226
Derivatives	-	235	-	235
Total assets	-	235	226	461
Liabilities				
Contingent consideration	-	-	5,802	5,802
Total liabilities	-	-	5,802	5,802

Group - 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Ordinary shares	-	-	113	113
Total assets	-	-	113	113
Liabilities				
Contingent consideration	-	-	7,868	7,868
Total liabilities	-	-	7,868	7,868

Notes to the Financial Statements
30 June 2023

Note 31. Fair value measurement (continued)

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Unquoted investments have been valued using a discounted cash flow model.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Refer to note 24 for further information on the fair value measurement of contingent consideration.

Note 32. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

		Group
	2023 $	2022 $
Short-term employee benefits	1,338,137	1,402,649
Post-employment benefits	92,393	87,986
Long-term benefits	2,952	138,058
Share-based payments	244,437	515,824
	1,677,919	2,144,517

Note 33. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

		Group
	2023 $	2022 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	455,000	373,000
Other services - Deloitte Touche Tohmatsu		
Taxation	90,000	85,500
Other services	-	41,645
	90,000	127,145
	545,000	500,145

Notes to the Financial Statements
30 June 2023

Note 34. Contingent liabilities

The Group has given bank guarantees as at 30 June 2023 of $2,539,000 (30 June 2022: $2,497,000) to various landlords.

Note 35. Related party transactions

Parent entity
Big River Industries Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 38.

Key management personnel
Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the directors' report.

Transactions with related parties
During the financial year, the Company paid $77,000 (30 June 2022: $77,000) to Anacacia Capital Pty Ltd, a director related entity and substantial shareholder, as an advisory fee.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 36. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

		Parent
	2023 $'000	2022 $'000
Profit after income tax	15,717	7,284
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	15,717	7,284

Notes to the Financial Statements

30 June 2023

Note 36. Parent entity information (continued)

Statement of financial position

	Parent 2023 $'000	2022 $'000
Total current assets	93,108	86,992
Total non-current assets	48,322	48,325
Total assets	141,430	135,317
Total current liabilities	69	116
Total non-current liabilities	41,000	36,000
Total liabilities	41,069	36,116
Net assets	100,361	99,201
Equity		
Issued capital	98,517	96,665
Share-based payments reserve	535	1,514
Retained profits	1,309	1,022
Total equity	100,361	99,201

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity is a party to a deed of cross guarantee (refer note 39) under which it guarantees the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no significant contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023.

Under the Government Grant entitlement in 2020, the Group agreed to invest approximately $6.0m of capital expenditure expanding the Grafton NSW Site. As at 30 June 2023, there was approximately $0.7m of capital commitments remaining from this investment.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 37. Business combinations

2023

F.A. Mitchell & Co Pty Ltd ('F.A. Mitchell')
On 7 July 2022, the Group executed a business purchase deed to acquire the business and assets of F.A. Mitchell & Co Pty Ltd ('F.A. Mitchell'), a business located in Lidcombe, NSW. Completion was effective from 1 August 2022 with a purchase price of $598,000 paid in cash, which includes inventory and plant and equipment. The acquisition contributed $4.2 million to revenue and $0.2 million to net profit after tax of the Group for the year ended 30 June 2023.

Note 37. Business combinations (continued)

Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber')
On 14 November 2022, the Group executed a business purchase deed to acquire the business and assets of Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber'), a business located in Epping and Beaufort, VIC. Completion was effective from 1 December 2022 and the maximum purchase price of $6 million, which includes inventory, and plant and equipment, was settled through the payment of $5 million in cash, with the balance payable upon achieving agreed EBITDA targets over a two year period. The acquisition contributed $10.4 million to revenue and $0.5 million to net profit after tax of the Group for the year ended 30 June 2023.

The values identified in relation to the acquisitions are final as at 30 June 2023.

Details of the acquisitions are as follows:

	F.A. Mitchell Fair value $'000	Epping Timber Fair value $'000	Total $'000
Inventories	468	1,702	2,170
Prepayments	-	94	94
Plant and equipment	108	472	580
Right-of-use assets	1,094	-	1,094
Customer relationships	-	1,697	1,697
Deferred tax asset	23	156	179
Deferred tax liability	-	(509)	(509)
Employee benefits	(77)	(521)	(598)
Lease liability	(1,094)	-	(1,094)
Net assets acquired	522	3,091	3,613
Goodwill	76	2,758	2,834
Total consideration transferred	598	5,849	6,447
Representing:			
Cash paid or payable to vendor	598	4,996	5,594
Contingent consideration	-	853	853
	598	5,849	6,447
Cash used to acquire business, net of cash acquired:			
Total consideration transferred	598	5,849	6,447
Less: contingent consideration	-	(853)	(853)
Net cash used	598	4,996	5,594

2022

Revolution Wood Panels
On 24 August 2021, the Group executed a business purchase deed to acquire the business and assets of Revolution Wood Panels Pty Ltd ('Revolution Wood Panels'), a business located in the Brisbane suburb of Brendale, QLD. Completion was effective from 1 October 2021 and the maximum purchase price of $7.8 million, which includes inventory, and plant and equipment, was settled through the payment of $6.0 million in cash, the issue of $1.0 million in ordinary shares of Big River Industries Ltd, with the balance payable upon achieving agreed EBITDA targets over a two year period. The acquisition contributed $12.1 million to revenue and $0.7 million to net profit after tax of the Group for the year ended 30 June 2022. The values identified in relation to the acquisition are final as at 30 June 2022.

Notes to the Financial Statements
30 June 2023

Note 37. Business combinations (continued)

United Building Products
On 4 October 2021, the Group executed a business purchase deed to acquire the business and assets of United Home & Trade Pty Ltd ('United Building Products'), a business located in Albion Park, NSW. Completion was effective from 1 November 2021 and the maximum purchase price of $10.7 million, which includes inventory, and plant and equipment, was settled through the payment of $7.5 million in cash, the issue of $2.1 million in ordinary shares of Big River Industries Ltd, with the balance payable upon achieving agreed EBITDA targets over a two year period. The acquisition contributed $15.5 million to revenue and $1.1 million to net profit after tax of the Group for the year ended 30 June 2022. The values identified in relation to the acquisition are final as at 30 June 2022.

Details of the acquisitions are as follows:

	Revolution Wood Panels Fair value $'000	United Building Products Fair value $'000	Total $'000
Inventories	1,598	2,350	3,948
Plant and equipment	613	321	934
Right-of-use assets	1,157	5,350	6,507
Customer relationships	3,168	3,279	6,447
Brand	129	182	311
Deferred tax asset	76	104	180
Deferred tax liability	(1,059)	(1,142)	(2,201)
Employee benefits	(255)	(345)	(600)
Lease make good provision	(90)	(60)	(150)
Lease liability	(1,066)	(5,291)	(6,357)
Net assets acquired	4,271	4,748	9,019
Goodwill	3,532	5,978	9,510
Acquisition-date fair value of the total consideration transferred	7,803	10,726	18,529
Representing:			
Cash paid or payable to vendor	5,998	7,457	13,455
Big River Industries Limited shares issued to vendor	1,037	2,117	3,154
Contingent consideration	768	1,152	1,920
	7,803	10,726	18,529
Acquisition costs expensed to profit or loss	624	214	838
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	7,803	10,726	18,529
Less: contingent consideration	(768)	(1,152)	(1,920)
Less: shares issued by Company as part of consideration	(1,037)	(2,117)	(3,154)
Net cash used	5,998	7,457	13,455

Notes to the Financial Statements

30 June 2023

Note 38. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Big River Group Pty Ltd	Australia	100%	100%
Big River Group (NZ) Limited	New Zealand	100%	100%
Plytech International Limited	New Zealand	100%	100%
Decortech Limited	New Zealand	100%	100%

Note 39. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Big River Industries Limited
Big River Group Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Big River Industries Limited, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and statement of financial position are substantially the same as the Group and therefore have not been separately disclosed.

Notes to the Financial Statements

30 June 2023

Note 40. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Group 2023 $'000	2022 $'000
Profit after income tax expense for the year	22,176	21,267
Adjustments for:		
Depreciation and amortisation	13,849	12,240
Reversal of impairment of property, plant and equipment	-	(316)
Net gain on disposal of property, plant and equipment	(95)	(62)
Share-based payments	586	909
Interest on contingent consideration	722	778
Interest on property leases	966	784
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	3,496	(9,449)
Decrease/(increase) in inventories	5,446	(14,722)
Decrease/(increase) in prepayments	(369)	1,086
Increase in deferred tax	187	2,907
Increase/(decrease) in trade and other payables	(2,213)	20,659
Increase in provision for income tax	109	4,292
Increase/(decrease) in other provisions	187	(1,467)
Increase/(decrease) in other operating liabilities	198	(1,746)
Net cash from operating activities	45,245	37,160

Non-cash investing and financing activities

	Group 2023 $'000	2022 $'000
Additions to the right-of-use assets	1,166	154
Shares issued under employee share plan	1,565	-
Shares issued under dividend reinvestment plan	287	239
Shares issued in relation to business combinations	-	3,154
Lease reassessment	9,842	-
	12,860	3,547

Note 40. Cash flow information (continued)

Changes in liabilities arising from financing activities

Group	Bank bills $'000	Lease liability $'000	Total $'000
Balance at 1 July 2021	26,000	25,786	51,786
Net cash from/(used in) financing activities	10,000	(7,071)	2,929
Acquisition of leases	-	154	154
Changes through business combinations (note 37)	-	6,357	6,357
Balance at 30 June 2022	36,000	25,226	61,226
Net cash from/(used in) financing activities	5,000	(9,914)	(4,914)
Lease reassessment	-	9,842	9,842
Acquisition of leases	-	1,166	1,166
Changes through business combinations (note 37)	-	1,094	1,094
Other changes	-	1,390	1,390
Balance at 30 June 2023	41,000	28,804	69,804

Note 41. Earnings per share

	Group 2023 $'000	2022 $'000
Profit after income tax attributable to the owners of Big River Industries Limited	22,176	21,267
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	82,874,703	81,716,852
Adjustments for calculation of diluted earnings per share:		
Performance rights	1,308,643	1,644,577
Weighted average number of ordinary shares used in calculating diluted earnings per share	84,183,346	83,361,429
	Cents	**Cents**
Basic earnings per share	26.76	26.03
Diluted earnings per share	26.34	25.51

Note 42. Share-based payments

Performance rights

At the 2018 Annual General Meeting, shareholders approved the Big River Industries Limited Rights Plan ('BRIRP') to be able to grant performance rights to certain key executive management personnel.

The number of performance rights vesting is determined by reference to the compound annual growth rate ('CAGR') in earnings per share ('EPS') over the vesting period and ranges from nil for less than 3% CAGR in EPS to 100% for greater than 10% CAGR in EPS, subject to overriding discretion held by the Board.

Notes to the Financial Statements

30 June 2023

Note 42. Share-based payments (continued)

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

2023

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/11/2019	28/11/2024	677,590	-	(677,590)	-	-
01/12/2020	01/12/2025	541,662	-	-	(58,039)	483,623
17/12/2021	17/12/2026	473,429	-	-	(128,686)	344,743
14/10/2022	14/10/2027	-	286,565	-	(37,346)	249,219
24/02/2023	14/10/2027	-	76,098	-	-	76,098
		1,692,681	362,663	(677,590)	(224,071)	1,153,683

2022

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/11/2018	23/11/2023	341,355	-	-	(341,355)	-
28/11/2019	28/11/2024	677,590	-	-	-	677,590
01/12/2020	01/12/2025	541,662	-	-	-	541,662
17/12/2021	17/12/2026	-	473,429	-	-	473,429
		1,560,607	473,429	-	(341,355)	1,692,681

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.27 years (30 June 2022: 3.25 years).

Valuation model inputs

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

Grant date	Expiry date	Share price at grant date	Dividend yield	Risk-free interest rate	Fair value at grant date
14/10/2022	14/10/2027	$2.03	7.60%	4.00%	$1.610
24/02/2023	14/10/2027	$2.53	7.40%	4.00%	$2.028

Note 43. Events after the reporting period

Apart from the dividend declared as disclosed in note 29, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 39 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

Malcolm Jackman	John Lorente
Chairman	Managing Director and Chief Executive Officer

23 August 2023
Sydney

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Independent Auditor's Report to the Members of Big River Industries Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Big River Industries 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 statements, including material accounting policy information, and the directors' declaration.

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

- 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 then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

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

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Existence and completeness of inventories	How the scope of our audit responded to the Key Audit Matter
As at 30 June 2023, the Group has recognised $69.5m of inventories (net of provision) in the consolidated statement of financial position as disclosed in Note 12. The Group holds inventories of finished goods at each of its retail branches and manufacturing sites across Australia and New Zealand. Existence and completeness of inventories is assessed by the Group through the completion of annual stock takes at each of the Group's retail branches and manufacturing sites. Existence and completeness of inventories is a key audit matter due to the nature of inventories where the value per unit is relatively insignificant but high volumes are involved which are dispersed across different locations.	Our procedures included, but were not limited to: • Obtaining an understanding of the Group's stock take procedures and controls; • Evaluating the appropriateness of the Group's stock take procedures and controls; • Attending a sample of inventory locations and observing the Group's stock take procedures at these locations; • On a sample basis, testing the existence and completeness of inventories, by tracing items from the inventory system to the physical location and from the physical location to the inventory system respectively; • Testing the summation of the final inventory sheets to the inventory system to test that variances identified at count date have been appropriately updated; and • Agreeing the inventory system to the general ledger. We have also assessed the adequacy of the relevant disclosures in Notes 2 and 12 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Directory and Shareholder Information, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chairman and Managing Director's Report and Corporate Details, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Chairman and Managing Director's Report and Corporate Details, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

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 Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 20 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Big River Industries 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.

DELOITTE TOUCHE TOHMATSU

David Haynes
Partner
Chartered Accountants

Sydney, 23 August 2023

Shareholder Information

30 June 2023

The shareholder information set out below was applicable as at 4 August 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Ordinary shares % of total shares issued
1 to 1,000	382	0.21
1,001 to 5,000	335	1.11
5,001 to 10,000	100	0.97
10,001 to 100,000	126	4.63
100,001 and over	33	93.08
	976	100.00
Holding less than a marketable parcel	42	-

Equity security holders

Twenty largest quoted equity security holders

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

	Number held	Ordinary shares % of total shares issued
NATIONAL NOMINEES LIMITED	30,194,597	36.36
ANACACIA PARTNERSHIP II LP	12,533,089	15.09
PANTHEON GLOBAL CO-INVESTMENT OPPORTUNITIES FUND I I LP	5,584,187	6.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,959,202	4.77
BNP PARIBAS NOMINEES PTY LTD (AGENCY LENDING DRP A/C)	3,210,655	3.87
PANTHEON INTERNATIONAL PLC	3,077,569	3.71
PANTHEON GLOBAL CO-INVESTMENT OPPORTUNITIES FUND III LP	2,799,057	3.37
GRANJE PTY LTD (PARSONSON FAMILY A/C)	2,222,449	2.68
ANACACIA PTY LTD (WATTLE FUND)	1,951,369	2.35
UBS NOMINEES PTY LTD	1,898,803	2.29
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,037,742	1.25
SAID BUILDING PRODUCTS GROUP PTY LTD	984,122	1.19
DENIS WILLIAM JAGGAR & CHRISTINE PAULA JAGGAR (NIKAU POINT)	901,632	1.09
PAUL HARVEY WEBBER & SUSAN MARGARET WEBBER (CADENZA)	901,632	1.09
IAIN OWUSU ANASH AGYEMAN (AGYEMAN FAMILY)	740,741	0.89
PANTHEON MULTI STRATEGY CO-INVESTMENT PROGRAM 2014	675,395	0.81
PANTHEON ASIA FUND VI LP	396,880	0.48
MEGAN ANNE BINDON (THE BINDON FAMILY A/C)	319,048	0.38
SANDHURST TRUSTEES LTD (CYAN C3G FUND A/C)	285,714	0.34
CITICORP NOMINEES PTY LIMITED	278,750	0.34
	73,952,633	89.07

Unquoted equity securities

	Number on issue	Number of holders
Performance rights	1,153,683	11

Shareholder Information

30 June 2023

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
Naos Asset Management	30,242,065	36.42
Anacacia Partnership II, LP	25,066,177	30.19

Voting rights

The voting rights attached to ordinary shares are set out below:

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.

There are no other classes of equity securities.

On-market buy-backs

There is no current on-market buy-back in relation to the Company's securities.

Corporate Directory

Directors	John Lorente Malcolm Geoffrey Jackman Martin Monro Martin Kaplan Vicky Papachristos Brendan York Brad Soller
Company secretary	John O'Connor
Registered office	Trenayr Road Junction Hill NSW 2460 Tel: 02 6644 0900
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Tel: 1300 554 474
Auditor	Deloitte Touche Tohmatsu Quay Quarter Tower 50 Bridge Street Sydney NSW 2000
Solicitors	Thomson Geer Level 14 60 Martin Place Sydney NSW 2000
Stock exchange listing	Big River Industries Limited shares are listed on the Australian Securities Exchange (ASX code: BRI)
Website	bigrivergroup.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Big River Industries Limited in an ethical manner and in accordance with the highest standards of corporate governance. Big River Industries Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: bigriverindustries.com.au/Investors/?page=Corporate-Governance

Branch Network

QLD:

Townsville
Big Hammer
Cnr Anne and Rendle Streets, Aitkenvale QLD 4814
Phone: (07) 4725 5260
Postal: PO Box 7296 Garbutt QLD 4814

Sunshine Coast
10 Main Drive, Warana QLD 4575
Phone: (07) 5439 1000
Postal: PO Box 260 Buddina QLD 4575

Meadowbrook
45 Ellerslie Road, Meadowbrook QLD 4131
Phone: (07) 3451 8300
Postal: PO Box 1858 Springwood QLD 4127

Hillcrest
Sabdia
24 Johnson Road, Hillcrest QLD 4118
Phone: (07) 3080 2700
Postal: 22-24 Johnson Road, Hillcrest QLD 4118

Gold Coast
Midcoast Timbers
11 Central Drive, Burleigh Heads QLD 4220
Phone: (07) 5522 0624
Postal: PO Box 3189 Burleigh Town QLD 4220

Brendale
Revolution Wood Panels
89 South Pine Rd Brendale QLD 4500
Phone: (07) 3205 9182

NSW:

Mount Druitt
89 Kurrajong Avenue, Mt Druitt NSW 2770
Phone: (02) 8822 5555
Postal: PO Box 1049 St Marys NSW 2760

Lidcombe
FA Mitchell + Co
41 East Street, Lidcombe NSW 2142
Phone: (02) 9646 2777

Lidcombe
Timberwood Panels
41 East Street, Lidcombe NSW 2142
Phone: (02) 8000 5599

Kiama
113 Shoalhaven Street, Kiama NSW 2533
Phone: (02) 4232 6600
Postal: PO Box 430 Kiama NSW 2533

Grafton (Factory)
61 Trenayr Road, Junction Hill NSW 2460
Phone: (02) 6644 0900
Postal: PO Box 281 Grafton 2460

Albion Park
United Building Products
3 Durgadin Dr, Albion Park Rail NSW 2527
Phone: (02) 4235 7000

Head Office
61 Trenayr Road, Junction Hill NSW 2460
Phone: (02) 6644 0900
Postal: PO Box 281 Grafton 2460

ACT:

Hume
Ern Smith Building Supplies
13 Sheppard Street, Hume ACT 2620
Phone: (02) 6260 1366
Postal: PO BOX 305 Jerrabomberra NSW 2619

Beard
Timberwood Panels
2 Copper Crescent, Beard ACT 2620
Phone: (02) 6293 8555

Branch Network

	Postal: PO BOX 305 Jerrabomberra NSW 2619

VIC:

Dandenong South	24-32 Discovery Road, Dandenong South VIC 3175 Phone: (03) 9586 6900 Postal: PO Box 4388 Dandenong South VIC 3164
Dandenong South	Timberwood Panels 185 Hammond Road, Dandenong South VIC 3175 Phone: (03) 8780 4666
Campbellfield	Timberwood Panels 76-106 National Blvd, Campbellfield VIC 3175 Phone: (03) 8301 1300
Geelong	MB Prefab 15-17 Leather Street, Breakwater VIC 3219 Phone: (03) 5223 2888 Postal: PO Box 4388 Dandenong South VIC 3164
Epping	Epping Timber Cnr. Cooper and Duffy Streets, Epping VIC 3219 Phone: (03) 9401 1033
Beaufort	Epping Timber (Prefab) 5–7 Racecourse Road, Beaufort VIC 3373 Phone: (03) 5349 2066

SA:

Edinburgh North	10 Kingstag Crescent, Edinburgh North SA 5113 Phone: (08) 8255 5577 Postal: PO Box 18 Edinburgh North SA 5113
Dry Creek	Pine Design 142 Cavan Road, Dry Creek SA 5094 Phone: (08) 8203 2933 Postal: 142 Cavan Road, Dry Creek SA 5094

WA:

Welshpool	255 Treasure Road, Welshpool WA 6106 Phone: (08) 9256 7400 Postal: PO Box 183 Welshpool DC WA 6986
Bellevue	Midland Timber 30 Clayton Street, Bellevue WA 6056 Phone: (08) 9274 8077 Postal: 30 Clayton Street, Bellevue WA 6056

New Zealand:

Auckland	Plytech 26 Business Parade North, Highbrook Auckland Phone: +64 9 573 5016 Postal: PO Box 204-070 Highbrook Auckland
	Decortech 117 Hugo Johnston Drive, Penrose Auckland Phone: +64 9 579 5726 Postal: PO Box 17-091 Greenlane Auckland

Our suppliers

ALLEGION
Alpine MDF
ASSA ABLOY
Australian PANELS
BGC
Bradford for smarter environments
BREMICK
CarterHoltHarvey Woodproducts Australia
CSR
EGR DECOR
HUME DOORS & TIMBER
HYNE TIMBER
ITI (Aust) Brands to build with
JamesHardie
Laminex
MACSIM
MULTINAIL
NAV
One Forty One
pryda
SMARTFRAME SMART ENGINEERED SOLUTIONS
Tilling
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TasmanKB
TIMBER LINK AUSTRALIA
wesbeam building better wood

BigRiver

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