

Lycopodium

FY

24

**Financial
Report**

30 June 2024



Chemical Grade Processing Plant #3 (CGP3) Project, Western Australia

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Directors' Report

The Directors present their Annual Report to the members, together with the audited Consolidated Financial Statements of Lycopodium Limited (the 'Company' or 'parent entity') and its subsidiaries (the 'consolidated entity'), for the financial year ended 30 June 2024 and the Statement of Financial Position of the consolidated entity as at 30 June 2024.

Directors

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

- Rodney Lloyd Leonard**
(appointed as Non-Executive, Independent Chairman on 28 November 2023)
- Peter De Leo**
- Bruno Ruggiero**
- Karl Anthony Cicanese**
- Michael John Caratti**
(resigned as Non-Executive Chairman on 28 November 2023)
- Steven John Micheil Chadwick**
- Louise Bower**

Dividends

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

	2024 \$	2023 \$
Final dividends for year ended 30 June 2023 of 45.0 cents (2022: 36.0 cents) per fully paid share paid on 6 October 2023 (2022: 7 October 2022) Fully franked based on tax paid at 30% (2022: 30%)	17,883,102	14,306,481
Interim dividend for the year ended 30 June 2024 of 37.0 cents (2023: 36.0 cents) per fully paid share paid on 4 April 2024 (2023: 6 April 2023) Fully franked based on tax paid at 30% (2023: 30%)	14,703,883	14,306,481
	32,586,985	28,612,962

In addition to the above dividends, since the end of the financial year the Directors have recommended the payment of a final fully franked dividend of \$15,896,090 (40.0 cents per fully paid share) to be paid on 4 October 2024 out of retained earnings at 30 June 2024 (\$17,883,102). This brings the total dividend declared for the year ended 30 June 2024 to 77.0 cents (2023: 81.0 cents).

Principal Activities

The principal activities of the consolidated entity during the financial year consisted of the provision of engineering and project delivery services in the resources, rail infrastructure and industrial processes sectors.

There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

Review of Operations

FY2024 has seen the Company continue the momentum generated in FY2023, with a significant portfolio of studies and projects in delivery across Australasia, Africa and the Americas within our core operating sectors of Resources, Rail Infrastructure and Industrial Processes.

Full Year Results

For the financial year ended 30 June 2024, Lycopodium generated revenue of \$348.9 million and net profit after tax of \$50.7 million. These results again represent a milestone achievement for the Company, surpassing the previous highpoint reached in FY2023. The Directors have resolved to pay a final dividend of 40 cents per share. The total dividend for the year is 77 cents fully franked.

FY2024 saw us manage a record number of projects across the globe, with almost 17 million workhours delivered over the 12-month period.

Activities for the Past Year

The delivery of a robust portfolio of major projects during FY2024 has brought with it the opportunity to grow our teams across our global operations. Today, the Company directly employs more than 1,300 people in its offices and on project sites, and with contractors included, we are managing some 4,000 people working on projects around the world.

As our workforce has steadily grown over the past few years, we have continued to support this growth with the introduction of business infrastructure that has provided us with the resources, processes and systems to facilitate the consistent and efficient delivery of our services.

In FY2023 we introduced a global HR Information System (HRIS) to provide a standardised platform across all operating entities and facilitate workplace efficiencies. Implementation of the HRIS was the first step in the roll out of a broader enterprise resource planning (ERP) system enabling a multitude of business processes to be tied together to support the flow of data between them, eliminating duplication and supporting data integrity.

Development of the ERP was ongoing throughout 2023, with the rollout of the system across our entities commencing in December 2023. Change over to the new system has been a significant undertaking and our progressive approach to this has enabled us to garner feedback along the way, using this experience to drive optimum outcomes.

With people our most valuable resource, a key strategy is to support the development of the business' future leaders. Our comprehensive, nine-month Emerging Leaders Program, focused on the development of the middle management levels within the business, sees our future leaders participate in a series of in-person and virtual workshops and group coaching sessions to support the enhancement of their leadership skills. Initially launched across our Australian offices in 2022, the 2023/2024 curriculum included participants from our Australian and international offices, including Perth, Melbourne, Brisbane, Newcastle, Manila, Toronto, Cape Town and Botswana.

We are embracing the next generation of talented young industry professionals through our Graduate Development Program (GDP) and Summer Vacation Program, with both programs also expanded nationally and internationally during FY2024.

With the GDP already established across our Australian offices, Cape Town welcomed its first cohort into the two-year program in early 2024, followed by Toronto and Manila. The GDP is structured to give our graduates broad exposure and a comprehensive learning experience across the business, encompassing on-the-job learning (both office and site-based), support and mentoring, self-paced online learning based on practical modules authored by our own people, and group activities, including social events.

Our three-month Summer Vacation Program enables students to build on their learning experience in the practical environment provided by Lycopodium, and includes mentorship and hands-on engagement in live projects, learning modules aimed at improving technical knowledge, site visits, vendor workshops, presentations from senior staff and social events. Over the 2023/2024 summer period, students participated in the program across our Perth, Brisbane and Melbourne offices. The majority of these students will transition into the Graduate Development Program when they complete their studies at the end of 2024.

In May 2024, we also awarded two students from Curtin University in Western Australia our Women in Mechanical Engineering Scholarship. This two-year scholarship, granted for the first time this year, will support the students both financially and through the provision of mentoring support and exposure to project work, over the final two years of their undergraduate degree.

As innovators, we are always considering ways to do things better, more efficiently, working smarter for our clients. This culture of continuous improvement has delivered some fantastic ideas, and in order to share these, we facilitated our first Technical Summit in April 2024. This virtual summit, featuring presenters from our offices across the globe, showcased a particular project or study, product or technical skill, that resides within the Company. Each presentation was recorded and made available to everyone across the business. Some incredible concepts, ideas, processes and innovations were presented, and we believe by sharing these, this will generate more ideas, more conversations and even greater collaboration across our teams globally.

In December 2023, we opened a new office in Lima, Peru, representing another significant milestone in the strategic growth of our business in the Americas. Comprised of local employees, including process designers, civil and structural engineers and designers, and mechanical engineers and designers, the project and study workload for this office is being generated from our rapidly growing Toronto office. In time, as the Lima team grows in number and capabilities, and transitions to become client facing, the office will provide a springboard to pursue additional work in the Latin American region, that being a marketplace which currently contributes a significant percentage of the world's gold and copper supplies, amongst other commodities.

At our AGM in November 2023, we released our inaugural Sustainability Report. This report considers performance and opportunities for continuous improvement across all aspects of our operations, including environment, social and governance.



Vacation students visiting CGP3, Western Australia

Outlook

Relatively tight financial conditions have dampened world economic growth, but despite this, key markets like the United States and China are continuing to support commodity demand. Major influences on the long-term outlook include increased demand for commodities in support of the global energy transition, instability resulting from geopolitical conflicts and infrastructure development in established and emerging markets, including China and India.

There remains a strong long-term demand outlook for minerals and metals relevant to the ongoing energy transition, including lithium, copper, graphite and nickel, which will continue to attract capital to build global supply. With prices of lithium and nickel peaking in the first half of 2023, robust supply growth, with new production facilities coming online, and lower than expected demand for both metals, has resulted in market surpluses and a corresponding drop in prices. Regardless, nickel's use in a growing array of materials used in low emission technologies and lithium's status as a critical component of batteries will see prices improve in the coming years. It is anticipated demand for certain critical minerals, specifically copper and lithium, will start outpacing supply before the end of the decade.

Demand for gold remains high, with production expected to increase as new projects and mine expansions become operational. World gold consumption is forecast to grow steadily to the end of the decade, predominately driven by the jewellery market, coupled with moderate increases in investment demand and its use in high-tech manufacturing, including electronics, smartphones and watches, dentistry and medicine.

Demand for iron ore is expected to continue to increase steadily over the coming years, supported by new infrastructure investment in China resulting from government funding allocated to support the weak domestic property sector, and India's growing infrastructure spending. As such, exploration expenditure remains strong, with a ramp up of greenfield projects for major Australian miners and new supply coming into the market from emerging producers in Africa.

Initially driven by the pandemic, Australian domestic manufacturing continues to present opportunities for the Industrial Processes sector, now further buoyed by ongoing geopolitical uncertainty, supply chain disruptions and changing consumer preferences. Emerging markets, including waste and recycling, water and wastewater, and hydrogen, are also continuing to drive sector growth.

For our Rail Infrastructure business, Australia's railway construction outlook is strong, supported by a number of significant publicly funded projects. This includes the development of a high-speed passenger rail network for travel between major cities and regional centres along Australia's eastern seaboard. Maintenance and rail infrastructure management (RIM) activity is continuing to grow, commensurate with the ongoing expansion of the country's heavy haul and passenger networks. Additionally, rail remediation works required as a result of extreme weather events, including floods, droughts, bushfires and coastal erosion, is expected to continue.

Operational Highlights

FY2024 saw us manage a record number of projects across the globe, with almost 17 million workhours delivered over the 12-month period.

HSE

Providing a safe working environment for our people and delivering our projects safely is intrinsic to our culture and a fundamental metric of our success.

Reflecting the significant number of projects in delivery during the period, we recorded 16.9 million controlled workhours during FY2024, compared to 8.2 million for FY2023. Pleasingly, with the increased onsite activity, the Company maintained its excellent safety record, reporting a Lost Time Injury Frequency Rate (LTIFR) of 0.1 against an Australian construction industry average of 11.2.

We achieved several significant safety milestones over the year, of 1 million and 2 million workhours LTI free, across a number of our projects.

On the basis that all incidents are preventable if risk is understood and managed, our approach is focused on lead indicators and proactively managing safety across our work fronts, providing our people with the tools and resources required to get the job done safely.

Resources

Delivering studies and projects for clients around the world, including in Africa, Australia, Southeast Asia and North and Central America, our portfolio of work spans most major commodities, including gold, lithium, diamonds and gems, copper, nickel, battery minerals, mineral sands, uranium, graphite and other rare earths.

The past 12 months have been very busy progressing a number of major projects through construction into commissioning. This includes the Kathleen Valley Lithium Project in Western Australia (Liontown Resources), the Sabodala-Massawa BIOX Expansion Project in Senegal (Endeavour Mining), the Lafigué Project in Côte d'Ivoire (Endeavour Mining), the Goulamina Lithium Project in Mali (Leo Lithium), the Langer Heinrich Mine Restart Project in Namibia (Paladin Energy) and the Mutamba Mineral Sands Pilot Plant in Mozambique (Rio Tinto).

Other significant projects well into construction include the Ahafo North Project in Ghana (Newmont), the Chemical Grade Processing Plant #3 Project in Western Australia (Talisson Lithium), the Batu Hijau Expansion Project in Indonesia (AMMAN) and the Kiaka Gold Project in Burkina Faso (West African Resources).

Activity is continuing to ramp up on new work awarded during the year, including the Feasibility Study, Basic Engineering and Early Works Construction Engineering Services for the Reko Diq Copper-Gold Project in Pakistan and the Feasibility Study for the Lumwana Copper Project in Zambia, both for Barrick. We also commenced work in the delivery of Engineering, Procurement and Construction Management (EPCM) services for the Boto Gold Project in Senegal (Managem Group), the Baomahun Gold Project in Sierra Leone (FG Gold) and the Yanqul Copper-Gold Project in Oman (Mazoon Mining), and the Front End Engineering and Design (FEED) for the Twin Hills Gold Project in Namibia (Osino Resources).

Our study pipeline also remains strong, with a number of pre-feasibility studies (PFS) and feasibility studies (FS) undertaken during the year. This includes the definitive FS update for the Kobada Gold Project in Mali (Toubani Resources), the PFS for the Tanda-Iguela Gold Project in Côte d'Ivoire (Endeavour Mining), the PFS for the Speewah Fluorite Project in Western Australia (Tivan), the FS for the Bomboré Hardrock Project in Burkina Faso (Orezone), the FS for the Troilus Gold Project in Canada (Troilus) and the Phase 2 FS and Phase 3 PFS for the Blackwater Expansion Project in Canada (Artemis Gold).

In addition to completing the Langer Heinrich Mine Restart Project in Namibia and the Mutamba Mineral Sands Pilot Plant in Mozambique, ADP Marine & Modular (ADP), our specialist subsidiary in South Africa, has been working with Anglo American Platinum on the North Concentrator Footprint Reduction Project at their Mogalakwena Mine in South Africa. Initially, this included the detailed design of modularised units and auxiliary equipment, transitioning into the provision of EPCM services for site works. The team is also looking to leverage its digital engineering capability (you can read more about this in the Innovation section of this report), on this project, with the creation of a digital twin which will be utilised during the project's commissioning phase.

Our wholly owned subsidiary, Orway Mineral Consultants (OMC), continues to be a critical technical partner to our Resources business. Considered a global leader in comminution circuit design and optimisation, OMC provides specialist services in flowsheet development, optimisation and process design, as well as supporting our clients to maximise operational performance post project completion.

Experts in plant dynamic modelling, OMC is also an integral element of our digital engineering strategy.

Industrial Processes

In Industrial Processes, we completed the detailed design for CSL Seqirus' world-class influenza vaccine manufacturing facility being built in Melbourne. Construction is progressing, with the facility becoming operational in 2026. Other major projects that are ongoing include delivery of the detailed design scope for the construction of a new manufacturing facility at the Nutrien Ag Solutions site in western Melbourne and undertaking the detailed design for Pilbara Minerals' Mid-Stream Project, encompassing the development of a mid-stream demonstration plant to produce value-added lithium at the Pilgangoora Operation in Western Australia.

The business has been involved in a number of energy related initiatives, including in hydrogen, battery minerals, battery recycling and waste to energy technologies. This includes providing detailed design for Delorean for the development of the Yarra Valley Water Bioenergy Plant, which will be one of the largest food waste to energy facilities of its kind in Victoria, diverting approximately 50,000 tonnes of food waste from landfill each year and generating over 10,000 megawatt hours of electricity.

We are also working with JGC on the design for the Green Hydrogen to Energy Project, aimed at demonstrating the viability of using hydrogen in the calcination process to test whether hydrogen can replace natural gas in the alumina refining process. The pilot program involves construction of a Hydrogen Calcination Pilot Demonstration Plant at the Yarwun Alumina Refinery and the retrofit of refinery processing equipment.

Rail Infrastructure

In Rail Infrastructure, we continue to provide design, engineering, technical advisory and Rail Infrastructure Management (RIM) services for greenfield and brownfield rail projects across Australia. This includes for the ARTC, completing the detailed design package for the Southern Highlands Overtaking Opportunities Project, which will improve the efficiency of freight and passenger services between Sydney and Melbourne.

Other projects for the ARTC include delivering structures inspections across more than 2,000 sites between Perth and Melbourne, undertaking a maintenance review of the Hunter Valley network, and supporting improvements to the Victorian Interstate Line, including the design and upgrade of 10 level crossings and developing a 10-year Optimum Maintenance Strategy.

In July 2023 Lycopodium was awarded a three-year contract to conduct rail infrastructure inspections at all 57 Pacific National sites Australia wide. As part of the contract, we are also undertaking engineering and system enhancements targeting asset management and reliability improvements.

Innovation

At Lycopodium, we are innovators, always considering ways to do things better and more efficiently.

For us, innovation comes in many forms, and our biannual Innovation Award provides the opportunity to showcase the outstanding ideas being generated and turned into reality by our people.

We are working with clients and industry to support the world's decarbonisation journey to net zero, and with this comes some incredible opportunities to participate in world-leading Research & Development projects.

Digital Engineering

FY2024 has seen significant advancements of our digital engineering capability. For most mines, the optimal service lies along a continuum between a normal operating plant using DCS and SCADA, and a fully connected digital twin. Our focus is on supporting our clients to assess their optimal service, ensuring the engineering incorporates an efficient, cost effective and fit-for-purpose digital solution to augment our standard engineering service offering. Lead by ADP in Cape Town, the development of our capability over recent years has been three pronged.

Firstly, plant dynamic modelling to support plant efficient commissioning, training, and early ramp up. This involves extensive use of both dynamic as well as discrete event simulation tools, connecting our high-fidelity plant simulation to the virtual as well as operational control systems.

Secondly, we are using the best-of-breed platforms to develop static digital twins (advanced plant engineering version of Building Information Modelling, including 4D and 5D engineering modelling). These static digital twins become the user interface for life-of-mine operations, including connected digital twins. The static digital twin also serves as the single source of truth for life-of-mine data management for all relevant plant related information (design and operations data).

Thirdly, we are integrating both the dynamic and static digital twins into an overall connected twin that can extend (together with our mining digital software partner, Sight Power) to a mine-wide digital twin solution.

Orway IQ

MillROC (Mill Remote Optimisation Consulting and Coaching) continues to be developed by Orway IQ (OIQ), which is a collaboration between Molycop and Orway Mineral Consultants.

Delivering coaching and implementation of continuous improvement in plant operations, this online platform provides cloud-based, customised data analysis and dashboards for optimisation of mineral processing plants in real-time. The platform's primary goal is to drive efficiency and reduce the carbon intensity when producing mineral concentrates and metals in the processing of minerals.

MillROC is delivered in two phases, Intensive Optimisation (Year 1) and Sustained Performance (ongoing). OIQ works with site teams to optimise performance in Year 1, regularly achieving tens of millions of dollars in increased revenue for projects. The learning from the Intensive Optimisation is then embedded in the MillROC focus pages to provide automated analysis and advice to sustain this optimum level of performance into the future.

Based initially around comminution circuit optimisation, MillROC has evolved to provide similar services for processes downstream of comminution, including leach and flotation circuits. In addition to the customised data analysis originally incorporated in the platform, multivariable regression analysis and machine learning tools have been added for deeper analysis of complex systems. Advanced KPIs are set and visualised, with recommended changes in operating practises automated when these KPIs are not achieved.

Our Minerals business offers MillROC as an option to be included in all EPCM and EPC projects, enabling us to provide a more comprehensive service to our clients, supporting them throughout the commissioning, ramp up and warranty period to facilitate project success.

Pod Equipment Company

Lycopodium has developed an innovative bin liner fixing system to mitigate the challenges encountered with current fixing systems. The PodBolt System is a range of liner fixing solutions, comprising PodBolt brand LinerBolts and PlugBolts.

Most current systems require maintenance personnel on both sides of the chute to fit both liners and bolts correctly. The PodBolt System is designed for one-sided access, enabling new liners to be efficiently fitted from inside the chute only. This eliminates the need for externally accessing a bin or chute to undo the liner bolts, offering a safer installation process, with no scaffolding required and removing the risk of external falling objects. The time required for externally accessing the bin or chute, ie erecting scaffold, is eliminated, as is the labour required to externally undo the nut – the net result being a liner system that can be maintained entirely from within the bin or chute.

The PodBolt System is liner agnostic and replaces all current liner bolting systems available in the market. The establishment of the Pod Equipment Company provides us with the opportunity to offer the system as an innovative and efficient, industry-wide solution.

Energy Storage

Lycopodium is supporting the application for the establishment of an Energy Storage Cooperative Research Centre (ESCRC) to follow on from the good work achieved over the past four years by the Future Battery Industries CRC (FBICRC). CRC grants provide funding for medium to long-term, industry-led research collaborations with a clear commercialisation perspective. This suits Lycopodium, as we are willing collaborators with academia and peers on innovations and developments that have a pathway to commercialisation.

The ESCRC is still passing through the approvals stage with the Commonwealth Government.

Lycopodium continues to examine and participate in the R&D of a range of energy storage technologies, including batteries, hydrogen, thermal and cryogenic systems, through associations such as the FBICRC and through engagement with clients.

Battery Recycling

Battery recycling remains a nascent industry with a variety of business models that are yet to be commercialised. Lycopodium is involved in two very interesting battery recycling studies. One involves developing a distributed model where all forms of batteries can be collected at local council facilities and safely reduced to a black mass suitable for safe transportation to a central processing facility where valuable metals are separated.

The other involves the processing of a specific battery black mass sourced from one battery type and recovering the contained metals using a unique and environmentally sensitive process. We are unable to disclose the identity of the client or provide any additional information on the process routes due to commercial confidentiality. Once the value in battery recycling has been unlocked, many facilities will need to be established.

FBICRC

We continue to support and be actively involved in the FBICRC, with the research program now entering its fifth and final year. In addition to completing the FEED for the nationally significant Pre-Cathode Active Material (P-CAM) pilot facility (a plant that has operated very successfully and produced commercial grade P-CAM), we also completed the FEED for a pilot plant using glycine to extract nickel and cobalt from flotation tailings and smelter slags. This process is showing commercial promise and will be tested further with the pilot program.

We are also assisting with program consultation on a very busy research program being led by Murdoch University to enhance all stages of lithium extraction, work that is particularly important for our Western Australian mining sector.

Common User Facilities

Lycopodium acted as Owner's Engineer to Queensland Treasury for the Queensland Common User Facility (QCUF), to be located at Townsville in Queensland. We were involved in the concept development phase to set the direction of the facility and were subsequently involved in technology selection. Originally conceived by the Queensland Government as a dedicated facility for vanadium piloting, the design was expanded to include a range of critical minerals, including rare earths.

The challenges associated with common user facilities are unique. Equipment selection needs to be flexible, interchangeable and adaptable to different unit processes. Layouts need to take into account a wide range of potential flowsheets, access to equipment, access to sample ports, ability to clean and remove contaminants, etc. Material handling, storage and disposal present issues that are unique. Small scale does not mean small complexity. In fact, the opposite is true. It takes skill, knowledge and a lot of forethought to get the design right for the budget allocated. Our Brisbane team has done a fine job on the QCUF, and we hope to deploy some of those skills into a common user facility being proposed for Western Australia.

Decarbonisation

During the past year, Lycopodium has undertaken a comprehensive internal case study on the options for reducing the carbon footprint of a standard gold mining operation. The internal analysis involved introducing design changes across five discrete areas of the plant – crushing, grinding, leach, elution and tailings disposal – to ascertain what impact additional investment on equipment and layout could have on carbon footprint.

The overarching assumption in the analysis was that operators will need to purchase carbon off-sets over the life of the mine to meet net zero targets. We then considered what would happen to project economics if we diverted those life-of-mine funds to upfront purchase of additional equipment and design to reduce the carbon footprint.

We undertook the analysis at carbon prices of A\$50/t through to A\$250/t and found some interesting results.

Integral to our standard project development and assessment, we already assess energy and consumables to achieve optimum operational and financial returns. Energy and consumables are both proxies for carbon, so we typically deliver a low carbon footprint already. However, the analysis also demonstrated that each project presents unique opportunities for decarbonisation. The time invested in this comprehensive analysis allows us to quickly identify those unique opportunities for our clients.

Community

We continue to support the communities in which we live and work, in particular social development and education endeavours, through the Lycopodium Foundation.

This includes our ongoing and long-term partnerships with the Murlpirrmarra Connection and the Clontarf Foundation in Australia, with both organisations supporting the education, self-esteem, life skills and employment prospects of young Aboriginal and Torres Strait Islander people. During FY2024 we welcomed a Clontarf student into the business, as a school-based trainee working with our IT team, and also selected our first Clontarf Design Scholarship recipient, to commence mid-year this year.

In Africa, our support of BASICS International, a non-government organisation (NGO) committed to protecting the basic human rights of children to education, shelter, food and safety, continues to be focused on the development of a camp for children in the countryside outside of Accra in Ghana. The camp design is now finalised and on site construction work will commence in FY2025.

In South Africa, we have established two new partnerships in Cape Town, with the Ubuntu Football Academy and the Red Cross War Memorial Children's Hospital.

The Ubuntu Academy was established in response to a crisis of fatherlessness in South African society and works with around 100 boys each year, and in 2024 is piloting its first girls' program.

Combining sport with education, Ubuntu provides world-class coaching for Academy players, together with a learning environment that is positive, stimulating, encouraging, and safe, for students from Year 7 to Year 12. The ultimate goal is to introduce graduates back into their individual communities to foster long-term change. Similar to our partnership with Clontarf, we hope to encourage and support students to contemplate a career in engineering.

The Red Cross War Memorial Children's Hospital is South Africa's only dedicated child health institution, offering a comprehensive range of specialist paediatric services to children. Via the Children's Hospital Trust, we are providing support to the Burns Unit Project.

Our support of charitable initiatives championed by our staff remains strong, including our long-term partnership with Jeans for Genes, donating more than \$450,000 to the Children's Medical Research Institute, which works to find cures for children's genetic diseases, since our fundraising began in the 1990's. Our team also continues to support the good work of the St Vincent de Paul Society and Breast Cancer Care WA, amongst others.


The Australia-Africa Minerals & Energy Group (AAMEG) is the peak body representing Australian companies engaged in the development of Africa's resource industry, and our membership with AAMEG continues to provide us with a valuable resource in support of the work we undertake in this region.

Acknowledgement

FY2024 marks another extremely busy year for the Company, with a number of projects in the late stages of delivery and the award of significant new work on major, long-term studies and projects.

On behalf of the Board of Directors, I thank our staff for their enduring hard work and dedication. The work we deliver for our clients is of the highest quality, and that comes down to our people and the great depth of knowledge and experience we have across the business.

I would also like to acknowledge and thank our clients, for placing their trust in us to work alongside them in the successful delivery of their projects.



Peter De Leo
Managing Director
Lycopodium Limited

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Lycopodium Limited FY2024 Financial Report 30 June 2024

Directors' Report

Corporate Governance Statement

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Directors' Declaration

Independent Auditor's Report

Shareholder Information

Corporate Directory

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A summary of consolidated revenues and results for the financial year by reportable operating segment is set out below:

	Segment Revenues		Segment Results	
	2024 \$	2023 \$	2024 \$	2023 \$
Resources	366,491,691	348,505,896	63,961,995	54,913,138
Rail infrastructure	10,211,077	16,286,530	835,701	1,632,523
Industrial processes	11,446,720	12,038,070	2,476,027	4,011,035
Other	8,707,984	6,523,938	1,427,468	711,285
Intersegment eliminations	(52,308,260)	(59,475,051)	-	-
Unallocated	4,330,127	3,692,120	1,034,448	2,008,682
Total revenue/profit before income tax expense	348,879,339	327,571,503	69,735,639	63,276,663
Income tax expense			(18,803,093)	(17,718,082)
Profit for the year			50,932,546	45,558,581
Less: (Profit)/Loss attributable to non-controlling interest			(218,349)	1,221,850
Profit attributable to owners of Lycopodium Ltd			50,714,197	46,780,431

Risk Management Overview

Lycopodium has a robust approach to risk management in order to provide sustainable long-term value to its shareholders. Strong risk management practices enable the Board and management to make strategic decisions that align with the risk appetite of the business.

Our risk management framework provides a whole-of-business approach and sets out the process for the identifying, evaluating, monitoring, reviewing and reporting of risk.

The Board has established a Risk Committee which monitors, reviews and reports on our risk management throughout the business. We undertake risk assessments and workshops to evaluate and prioritise risks. These include emerging risks which may present the business with medium to long-term risk exposure. We use qualitative and quantitative methods to define risk consequences.

We view consequences across a range of possible financial and non-financial impacts, such as health and safety, environmental, reputational, commercial and legal and community. To prioritise risk we use our Company risk matrix and consider the risk's consequences as well as its likelihood. This assists in identifying risks that have the potential to be the most significant.

Kathleen Valley Lithium Project, Western Australia

In FY2024 we identified seven strategic risks that could influence the sustainability of our business. These risks, with an outline of our mitigation controls, are set out in no particular order and are not an exhaustive list of risks that may impact Lycopodium, however are considered to be the most significant.

Risk and Context	Description	Lycopodium Controls
Harm to our people	<p>A safe and healthy work environment is fundamental to our values.</p> <p>The nature of our work and the geographies in which we work means our people are at higher risk of experiencing incidents including life-changing events which have the potential to cause physical and psychological harm.</p>	<p>We are committed to protecting the health, safety and wellbeing of our employees, contractors and other key stakeholders at all times. We support this through:</p> <ul style="list-style-type: none"> Comprehensive health and safety policies, standards and systems designed to prevent and mitigate potential exposure to health, safety and security risks Investigating actual and potential significant events that could have led to injury or harm Regularly reviewing and auditing our health and safety systems and processes Being prepared with emergency, incident and crisis management plans Providing regular hazard awareness updates, sharing of lessons learnt and training
Project delivery	<p>Unsuccessful fixed price contracts can have a material and onerous impact on the business if they are not managed correctly.</p> <p>Time delays, project staffing, client and subcontractor relationship management and greater macro-economic impacts to cost of supplies and equipment can all have significant impact on the outcome of fixed priced contracts.</p> <p>Cost overruns, schedule blowouts and litigation with client and subcontractors can all impact Company cash flow and reputation as well as put stress on the greater workforce.</p>	<p>All projects are carefully managed by Lycopodium from initial assessment through to the completion and handover to the client.</p> <p>We support our engineers, construction and other project delivery specialists with :</p> <ul style="list-style-type: none"> Strong Go/No Go project assessments Project Delivery Framework which supports execution through knowledge management systems and standardised delivery processes Commercial Management Framework including contracting strategy, assessment of risk for each project and claims management processes Use of the Technical Assurance Group (TAG) Project Services Group (independent of the project delivery teams) provides oversight for cost control and schedule management; including the use of earned value management techniques (EVM) Working with a strong proven subcontractor base offshore Experienced project management teams Documented Principles of Contracting Project Governance Structure of monthly project performance reviews for early detection of project concerns
Technical failure of project	<p>A project or study fails to meet its intended purpose due to technical deficiencies or major delivery failure giving rise to major claims on Lycopodium and its insurers.</p> <p>A variety of factors can contribute to technical failures within the complex environments that Lycopodium works. Management oversight on projects, lack of training, poor change management and lack of definition or direction from clients can all contribute to technical deficiencies on projects.</p>	<p>Lycopodium uses robust review and training processes to mitigate technical risks to the maximum extent reasonably possible, including:</p> <ul style="list-style-type: none"> Technical and peer review teams and processes Use of the Technical Assurance Group (TAG) Commercial team – all contracts vetted and negotiated ISO9001 aligned procedures and processes Management overview Pre-approval and vetting of vendors and consultants Training programs and mentoring Having the originating office to be held accountable for assurance Involving project delivery focused personnel in the development and agreement of performance guarantees

Risk and Context	Description	Lycopodium Controls
Sovereign / human rights and security risks	<p>Lycopodium operates across multiple geographical locations. Some of these jurisdictions are subject to sovereign, human rights and security risks.</p> <p>Changes in government, regulation and tax regimes has the potential to impact our operational performance and financial returns.</p>	<p>We seek to develop a comprehensive understanding of the overseas jurisdiction before entering it:</p> <ul style="list-style-type: none"> Due diligence on any prospective new country Employ a variety of commercial and contracting strategies to mitigate in-country risks External specialist advice obtained Regularly monitoring our tax risks and engaging specialist independent advice and assurance Monitoring current and potential geographies' political, economic, security and social conditions on a daily basis and making and adapting plans accordingly Development of policies and plans obligating our personnel and those personnel and organisations with whom we engage to comply with commitments we have made regarding human rights, modern slavery, codes of conduct and the like
Material litigation	<p>Given the breadth of clients and geographical diversity with whom and across which Lycopodium operates, the complexity of contracts with both clients and subcontractors can lead to misalignment of understanding and contractual commitments / requirements between the various parties.</p> <p>Where these issues can't be resolved it can result in litigation that poses the risk of slowing operations, tying up resources as well as the reputational and financial impacts of any action taken. Depending on where any litigation takes place, the timeline to resolution as well as the costs to the Company can range from material to substantial.</p>	<p>In order to avoid any material litigation Lycopodium enacts the following throughout the contracting process:</p> <ul style="list-style-type: none"> Clear consideration and adoption of tailored contracting strategy and risk assessments for each potential project Engaging strong, proven, culturally aligned contractors / subcontractors, who are generally considered less contractual in their nature and approach "Back-to-back" performance obligations to subcontractors where possible in line with head contract requirements Robust claims and general change management processes to manage contracts throughout their life Experienced Project Managers and management team Principles of contracting documented Having contract management processes in place which obligate our project teams to actively engage in open dialogue with clients, contractors and other key stakeholders to ensure matters are understood as they emerge and managed in an efficient and timely basis
Attract, retain and develop talent	<p>Attracting, retaining and developing employees continues to be a high priority for the business, however it is a challenging talent market.</p>	<p>We recognise that having resource capacity and capability is core to our business. Our priorities include:</p> <ul style="list-style-type: none"> A well-defined employee value proposition to attract and engage top talent A graduate program that focuses on training and development of young talent Implementing reward, remuneration and recruitment strategies that position the Company relative to the market Targeted retention strategies and succession plans for critical roles and key talent Leadership and mentoring programs for our emerging leaders to strengthen our capability
Cyber security	<p>The growing volume and complexity of cybercrime is increasing.</p> <p>Lycopodium could experience business interruptions to critical IT services or other breaches of its information systems that could lead to the loss of intellectual property.</p>	<p>Our cyber security program improves the security environment of our IT services including:</p> <ul style="list-style-type: none"> Continuing to invest in systems, tools and infrastructure to protect our assets Having layered security measures including multi-factor authentication Framework in place to align information security policies and standards to ISO 27001 Penetration testing and supporting independent assurance of our control framework and key operating software Employee education and training initiatives including phishing awareness and testing campaigns Business resilience plans for cyber-related scenarios

Significant Changes in the State of Affairs

There are no significant changes in the state of affairs of the consolidated entity during the year.

Matters Subsequent to the End of the Financial Year

Since year end the Directors have recommended the payment of a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of dividend is \$15,896,090 which represents a fully franked dividend of 40.0 cents per fully paid ordinary share.

With the exception of the above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

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

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

Environmental Regulation

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



ARTC level crossing inspections, Victoria

Information on Directors

Rodney Lloyd Leonard BSc, MSc, MAusIMM Non-Executive, Independent Chairman

Experience and expertise	Mr Leonard has over 30 years' experience in the mineral processing industry and was the Managing Director of Lycopodium Minerals Pty Ltd until 30 June 2019 and has been a Non-Executive Director of various subsidiaries prior to becoming Chairman on 28 November 2023.	
Length of service	25 October 2001 to present	
Other current directorships	Non-Executive Director of West African Resources Limited	
Former directorships in last 3 years	None	
Special responsibilities	<ul style="list-style-type: none"> Chairman of the Board Member of the Audit Committee Member of the Corporate Governance Committee Chair of the Risk Committee 	
Interest in shares	Ordinary shares of Lycopodium Limited	902,930

Peter De Leo BE (Civ), CPEng, FIEAust Managing Director

Experience and expertise	Mr De Leo has over 30 years' experience in the construction and engineering fields. Mr De Leo is the Managing Director of Lycopodium Limited and was previously the Managing Director of Lycopodium Minerals Pty Ltd.	
Length of service	1 February 2007 to present	
Other current directorships	<ul style="list-style-type: none"> Non-Executive Director of Mondium Pty Ltd Non-Executive Director of Argosy Minerals Ltd Chairman of Australia-Africa Minerals and Energy Group Limited 	
Former directorships in last 3 years	None	
Special responsibilities	<ul style="list-style-type: none"> Member of the Corporate Governance Committee Member of the Audit Committee Member of the Risk Committee 	
Interest in shares and options	Ordinary shares of Lycopodium Limited	895,500

Bruno Ruggiero BE (Mech), Grad Dip Min Sc, Grad Cert Eng Tech, MIEAust Executive Director

Experience and expertise	Mr Ruggiero has over 30 years' experience in the minerals industry. He currently serves as the Group Technical Director for Lycopodium, having overarching responsibility for the Company's technical knowledge base, capabilities and direction. Mr Ruggiero is a Director of Lycopodium Minerals Pty Ltd.	
Length of service	25 October 2001 to present	
Other current directorships	<ul style="list-style-type: none"> Non-Executive Director of ECG Engineering Pty Ltd Non-Executive Director of Quantum Graphite Limited 	
Former directorships in last 3 years	None	
Special responsibilities	<ul style="list-style-type: none"> Member of the Corporate Governance Committee Member of the Risk Committee 	
Interest in shares and options	Ordinary shares of Lycopodium Limited	1,650,520

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

Michael John Caratti BE (Elec) (Hons) Non-Executive Director		
Experience and expertise	Mr Caratti was Chairman of Lycopodium Limited until 28 November 2023. He has over 40 years' experience in the mineral processing industry and has had a major role in the development of the Company's risk management and quality control programmes. Mr Caratti is a Director of Orway Mineral Consultants (WA) Pty Ltd.	
Length of service	25 October 2001 to present	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	<ul style="list-style-type: none"> Chairman of the Corporate Governance Committee Member of the Remuneration Committee 	
Interest in shares and options	Ordinary shares of Lycopodium Limited	9,109,367

Steven John Micheil Chadwick BAppSc (Metallurgy), MAusIMM Non-Executive, Independent Director		
Experience and expertise	Mr Chadwick is a metallurgical engineer with over 45 years' experience covering operations, technical evaluations, project development, engineering design and corporate management. Mr Chadwick brings extensive industry and operating experience to the board.	
Length of service	11 January 2016 - to present	
Other current directorships	None	
Former directorships in last 3 years	<ul style="list-style-type: none"> Non-Executive Director of Quantum Graphite Limited Non-Executive Director of Lioatown Resources Limited 	
Special responsibilities	<ul style="list-style-type: none"> Member of the Corporate Governance Committee Chair of the Remuneration Committee 	
Interest in shares and options	Ordinary shares of Lycopodium Limited	19,657

Louise Bower HBCompt (Accounting Science), CA Non-Executive, Independent Director		
Experience and expertise	Ms Bower is a chartered accountant with more than 25 years' international experience in senior finance and corporate governance roles in both executive and non-executive capacities, predominately in the Resources and Technology sectors.	
Length of service	15 August 2022 to present	
Other current directorships	<ul style="list-style-type: none"> Non-Executive Director of DUG Technology Ltd Non-Executive Director of Babylon Pump & Power Ltd 	
Former directorships in last 3 years	None	
Special responsibilities	<ul style="list-style-type: none"> Chair of the Audit Committee Member of the Remuneration Committee 	
Interest in shares and options	Ordinary shares of Lycopodium Limited	Nil

Company Secretary

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

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

Meetings of Directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

	Board	Board Committees		
		Audit	Remuneration	Risk
Number of Meetings Held	12	2	2	2
	Number of Meetings Attended			
Rodney Lloyd Leonard	12	2	1**	2
Peter De Leo	11	2	2***	2
Bruno Ruggiero	12	*	*	2
Karl Anthony Cicanese	11	*	*	*
Michael John Caratti	11	*	1	*
Steven John Micheil Chadwick	11	*	2	*
Louise Bower	12	2	1**	*

* Not a member of the committee ** LB replaced RL on Committee on appointment of RL to Chairman *** By Invitation

Remuneration Report – Audited

The Directors present the Lycopodium Limited 2024 Remuneration Report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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.

Directors and Key Management Personnel Disclosed in this Report

Name	Position
Rodney Lloyd Leonard	Non-Executive, Independent Chairman
Peter De Leo	Managing Director
Karl Anthony Cicanese	Executive Director
Bruno Ruggiero	Executive Director
Justine Campbell	Chief Financial Officer and Company Secretary
Michael John Caratti	Non-Executive Director
Steven John Micheil Chadwick	Non-Executive, Independent Director
Louise Bower	Non-Executive, Independent Director

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the consolidated entity'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 of Directors ('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
- Transparency

Role of the Remuneration Committee

The remuneration committee is primarily responsible for making recommendations on:

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

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

Non-Executive Director Remuneration Policy

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

Non-Executive Directors are also paid fixed fees for subsidiary board and committee attendance, as required.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 14 November 2023, where the shareholders approved a maximum aggregate remuneration of AUD 639,047.

Directors' Fees

The current base fees were last reviewed with effect from 1 July 2023. The fees are exclusive of committee and subsidiary board fees. Details on Directors fees are disclosed under service agreements on page 22.

Executive Remuneration Policy and Framework

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

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

The executive remuneration framework has three components:

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

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

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

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration Committee.

Use of remuneration consultants

During the financial year ended 30 June 2024, the consolidated entity did not engage any remuneration consultants for assisting the Remuneration Committee.

Voting and Comments Made at the Company's Annual General Meeting

The remuneration report for the 2023 financial year was approved with 90% votes in favor by shareholders during the AGM. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Company Performance

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

	2024	2023	2022	2021	2020
Revenue (\$)	348,879,339	327,571,503	232,156,833	162,175,648	211,134,310
Profit before income tax (\$)	69,735,639	63,276,663	38,926,648	21,489,381	18,450,139
Income tax expense (\$)	18,803,093	17,718,082	12,074,774	7,423,134	6,773,513
Profit after income tax (\$)	50,932,546	45,558,581	26,851,874	14,066,247	11,676,626
Basic EPS (cents)	127.61	117.72	68.4	35.7	29.7
Basic EPS growth, year on year (%)	8.40%	72.13%	91.60%	20.20%	-28.40%
Fully franked dividends per share (cents)	77	81	54	25	20
Change in share price * (\$)	2.21	4.88	0.30	0.64	-0.08
Return on equity (%)	42.19%	42.83%	28.67%	17.00%	14.85%

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

Details of Remuneration

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

2024	Short-term employee benefits			Post-employment benefits	Share-based payments	Total	Performance related
	Cash salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Rights		
Non-Executive Directors							
Rodney Lloyd Leonard	138,462	-	-	15,231	-	153,693	0.0
Michael John Caratti	83,577	-	-	9,193	-	92,770	0.0
Steven John Micheil Chadwick	92,586	-	-	10,184	-	102,770	0.0
Louise Bower	119,444	-	-	-	-	119,444	0.0
Executive Directors							
Peter De Leo	755,602	54,500	10,542	27,399	90,529	938,572	15.5
Bruno Ruggiero	631,453	44,690	10,542	27,399	67,482	781,566	14.4
Karl Anthony Cicanese	692,209	49,572	10,542	27,399	81,311	861,033	15.2
Other Key Management Personnel							
Justine Campbell	532,467	44,167	10,542	27,399	69,590	684,165	16.6
Total key management personnel compensation	3,045,800	192,929	42,168	144,204	308,912	3,734,013	13.4

2023	Short-term employee benefits			Post-employment benefits	Share-based payments	Total	Performance related
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Rights		
Non-Executive Directors							
Michael John Caratti	79,638	-	-	8,259	-	87,897	0.0
Steven John Micheil Chadwick	95,672	-	-	2,328	-	98,000	0.0
Rodney Lloyd Leonard*	143,041	-	-	14,916	12,742	170,699	7.5
Louise Bower**	86,567	-	-	-	-	86,567	0.0
Executive Directors							
Peter De Leo	714,500	46,608	9,341	27,500	86,445	884,394	15.0
Bruno Ruggiero	593,480	37,558	9,341	30,800	64,586	735,765	13.9
Karl Anthony Cicanese	657,576	42,083	9,341	25,292	525,445 [^]	1,259,737	45.1
Other Key Management Personnel							
Justine Campbell	504,708	44,167	9,341	25,292	41,408	624,916	13.7
Total key management personnel compensation	2,875,182	170,416	37,364	134,387	730,626	3,947,975	22.8

* Payment includes prior year entitlement ** Represents remuneration from 15 August 2022 to 30 June 2023

[^] \$450,800 represents 200,000 Loan Funded Shares issued during the year

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Remuneration Committee.

Service Agreements

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

All employment contracts with Directors and Executives may be terminated by either party with one month's notice. None of the Directors or Executives are provided with termination benefits.

Name	Term of agreement	Fixed Remuneration including superannuation*
Rodney Lloyd Leonard Non-Executive, Independent Chairman	No fixed term	Chairman fee of \$139,155 p.a. Committee fee of \$10,000 p.a. per committee
Michael John Caratti Non-Executive Director	No fixed term	Director fee of \$92,770 p.a. Committee fee of \$10,000 p.a. per committee
Steven John Micheil Chadwick Non-Executive, Independent Director	No fixed term	Director fee of \$92,770 p.a. Committee fee of \$10,000 p.a. per committee
Louise Bower Non-Executive, Independent Director	No fixed term	Director fee of \$92,770 p.a. Committee fee of \$10,000 p.a. per committee
Peter De Leo Managing Director	No fixed term	\$691,456 p.a. Director fee of \$92,770 p.a.
Bruno Ruggiero Executive Director	No fixed term	\$566,081 p.a. Director fee of \$92,770 p.a.
Karl Anthony Cicanese Executive Director	No fixed term	\$627,845 p.a. Director fee of \$92,770 p.a.
Justine Campbell Company Secretary and Chief Financial Officer	No fixed term	\$530,000 p.a.

* Fixed remuneration payable from 1 July 2023 and reviewed annually by the Remuneration Committee

Share-Based Compensation

Incentive Performance Rights Plan

Performance rights were granted to certain Executive Directors as approved at the Annual General Meeting on 14 November 2023.

Loan Funded Share Acquisition Plan

During FY2024, no limited recourse loan funded shares were issued (2023: 200,000 shares).

Both of the above plans were designed to give incentives to the Executives to provide dedicated and ongoing commitment and effort to the consolidated entity and align the interests of both employees and shareholders.

Further information on rights over ordinary shares on issue is set out in note 36 to the financial statements.

The table below shows the number of rights holdings and ordinary share holdings for Directors and key management personnel:

(i) Rights Holdings

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

2024	Balance at start of the year	Granted as compensation (*)	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Lycopodium Limited							
Peter De Leo	56,137	15,783	17,584	-	54,336	-	54,336
Bruno Ruggiero	41,289	11,868	12,023	-	41,134	-	41,134
Karl Anthony Cicanese	49,892	14,356	15,102	-	49,146	-	49,146
Other Key Management Personnel							
Justine Campbell	36,034	12,260	-	-	48,294	-	48,294

* Granted under the Incentive Performance Rights Plan - refer to note 36

The terms and conditions of each grant of 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	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per right at grant date
Directors of Lycopodium Limited						
Peter De Leo	15,783	14-Nov-23	13-Nov-26	13-Nov-28	-	\$6.77
Bruno Ruggiero	11,868	14-Nov-23	13-Nov-26	13-Nov-28	-	\$6.77
Karl Anthony Cicanese	14,356	14-Nov-23	13-Nov-26	13-Nov-28	-	\$6.77
Other Key Management Personnel						
Justine Campbell	12,260	14-Nov-23	13-Nov-26	13-Nov-28	-	\$6.77

(ii) Share Holdings

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

2024	Balance at start of the year	Received during the year on the exercise of rights	Other changes during the year	Balance at end of the year
Directors of Lycopodium Limited				
Michael John Caratti	9,109,367	-	-	9,109,367
Peter De Leo	927,916	17,584	(50,000)	895,500
Rodney Lloyd Leonard	902,930	-	-	902,930
Bruno Ruggiero	2,988,497	12,023	(1,350,000)	1,650,520
Steven John Micheil Chadwick	19,657	-	-	19,657
Karl Anthony Cicanese	200,200	15,102	(15,102)	200,200

Loans to Key Management Personnel

No loans were made to Directors of Lycopodium Limited and other key management personnel of the consolidated entity, including their personally related parties during the year (2023: Nil).

Loans that are in-substance options and are non-recourse to the consolidated entity are excluded from loans to key management personnel.

End of Remuneration Report

Shares Under Performance Rights

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

Date performance rights issued	Expiry date	Issue price of shares	Number
19-November-2021	18 November 2026	\$0.00	127,139
16-November-2022	15 November 2027	\$0.00	194,355
14-November-2023	13 November 2028	\$0.00	147,822

Insurance of Officers

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

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

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

Indemnity of Auditors

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

Proceedings on Behalf of the Company

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

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 28 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 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

Officers of the Company Who Are Former Partners of RSM Australia Partners

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

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

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

On behalf of the Directors



Peter De Leo
 Managing Director
 Lycopodium Limited
 Perth
 20 August 2024

Auditor's Independence Declaration

RSM

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lycopodium Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

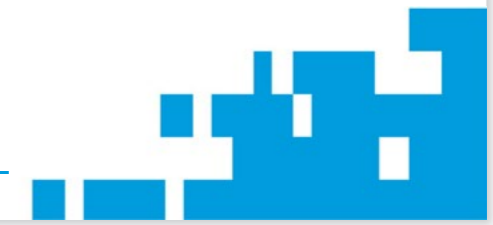

 RSM AUSTRALIA


JAMES KOMNINOS
 Partner

Perth, Western Australia
 Dated: 20 August 2024

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Corporate Governance Statement

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

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

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

lycopodium.com/investor-relations/corporate-governance



FY2024 Financial Report

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The financial statements cover Lycopodium Limited as a consolidated entity consisting of Lycopodium Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Lycopodium Limited's functional and presentation currency.

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

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

A description of the nature of the consolidated entity'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 20 August 2024. The Directors have the power to amend and reissue the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue from continuing operations			
Revenue from contracts with customers	5(a)	344,549,212	323,879,383
Interest income		3,429,075	1,650,486
Other income	5(c)	901,052	2,041,634
Revenue from continuing operations		348,879,339	327,571,503
Employee benefits expense		(125,499,013)	(113,617,410)
Depreciation and amortisation expense	6	(6,571,008)	(6,366,509)
Project expenses		(17,001,585)	(19,761,067)
Equipment and materials		(32,063,676)	(27,395,119)
Contractors		(83,466,066)	(76,394,095)
Occupancy expense		(2,351,938)	(2,150,012)
Other expenses		(21,737,888)	(14,393,592)
Warranty provision reversal/(expenses)	20	7,795,356	(5,440,853)
Finance costs	6	(760,484)	(839,276)
Share of net profit of associates and joint ventures accounted for using the equity method	17	2,512,602	2,063,093
Profit before income tax		69,735,639	63,276,663
Income tax expense	7	(18,803,093)	(17,718,082)
Profit for the year		50,932,546	45,558,581
Profit for the year is attributable to:			
Owners of Lycopodium Limited		50,714,197	46,780,431
Non-controlling interests		218,349	(1,221,850)
Profit for the year		50,932,546	45,558,581
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Foreign currency translation		(3,104,593)	(3,696,794)
Total comprehensive income for the year		47,827,953	41,861,787
Total comprehensive income for the year is attributable to:			
Owners of Lycopodium Limited		47,609,604	43,083,637
Non-controlling interests		218,349	(1,221,850)
Total comprehensive income for the year		47,827,953	41,861,787
	Notes	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	35(a)	127.61	117.72
Diluted earnings per share	35(b)	127.61	117.72

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

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	67,563,528	82,412,067
Trade and other receivables	9	107,377,645	87,086,807
Inventories	10	319,856	275,629
Derivative assets	16(c)	-	31,386
Other current assets	11	5,165,576	7,308,678
Total current assets		180,426,605	177,114,567
Non-current assets			
Property, plant and equipment	12	6,903,806	8,512,811
Right-of-use assets	13	10,470,802	13,247,239
Intangible assets	14	6,328,060	6,447,888
Deferred tax assets	15	6,103,967	3,709,104
Financial assets measured at fair value through profit or loss	16(a)	2,781,415	3,037,485
Investments accounted for using the equity method	17	4,029,886	3,809,495
Total non-current assets		36,617,936	38,764,022
Total assets		217,044,541	215,878,589
LIABILITIES			
Current liabilities			
Trade and other payables	18	47,627,350	28,808,966
Contract and other liabilities	5(b)	10,553,859	25,166,322
Borrowings	16(b)	289,624	680,136
Lease liabilities	16(a)	3,540,429	4,494,167
Current tax liabilities		5,344,648	12,909,805
Employee benefits	19	7,973,442	9,221,812
Provisions	20	1,730,284	9,578,601
Total current liabilities		77,059,636	90,859,809
Non-current liabilities			
Employee benefits	22	3,758,773	1,526,707
Lease liabilities	16(a)	8,785,946	10,527,166
Total non-current liabilities		12,544,719	12,053,873
Total liabilities		89,604,355	102,913,682
Net assets		127,440,186	112,964,907
EQUITY			
Issued capital	23	15,887,091	18,551,357
Reserves	24	(5,613,236)	(3,572,691)
Retained earnings	25	117,791,094	99,663,882
Equity attributable to the owners of Lycopodium Limited		128,064,949	114,642,548
Non-controlling interests	26	(624,763)	(1,677,641)
Total equity		127,440,186	112,964,907

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

Notes	Issued capital \$	Retained earnings \$	Foreign currency translation reserve \$	Share-based payment reserve \$	Non-controlling interests \$	Total equity \$	
Balance at 1 July 2022	19,344,160	81,496,413	(1,670,613)	1,333,109	(827,649)	99,675,420	
Profit after income tax expense for the year	-	46,780,431	-	-	(1,221,850)	45,558,581	
Other comprehensive loss for the year, net of tax	-	-	(3,696,794)	-	-	(3,696,794)	
Total comprehensive income for the year	-	46,780,431	(3,696,794)	-	(1,221,850)	41,861,787	
Transactions with owners in their capacity as owners:							
Foreign currency translation with non-controlling interest	-	-	-	-	371,858	371,858	
Dividends provided for or paid	27	(28,612,962)	-	-	-	(28,612,962)	
Purchase of shares under employee share trust	23	(142,391)	-	-	-	(142,391)	
Performance rights - value of rights	24	-	-	574,275	-	574,275	
Loan share to senior management (net of dividends received back)	23	(1,243,499)	-	-	-	(1,243,499)	
Loan shares - value of rights	24	-	-	450,800	-	450,800	
Tax effect of transfer to cash to employee share trust	24	-	-	29,619	-	29,619	
Exercise of performance rights	24	593,087	-	(593,087)	-	-	
		(792,803)	(28,612,962)	-	461,607	371,858	(28,572,300)
Balance at 30 June 2023	18,551,357	99,663,882	(5,367,407)	1,794,716	(1,677,641)	112,964,907	
Balance at 1 July 2023	18,551,357	99,663,882	(5,367,407)	1,794,716	(1,677,641)	112,964,907	
Profit after income tax expense for the year	-	50,714,197	-	-	218,349	50,932,546	
Other comprehensive loss for the year, net of tax	-	-	(3,104,593)	-	-	(3,104,593)	
Total comprehensive income for the year	-	50,714,197	(3,104,593)	-	218,349	47,827,953	
Transactions with owners in their capacity as owners:							
Foreign currency translation with non-controlling interest	-	-	-	-	834,529	834,529	
Dividends provided for or paid	27	(32,586,985)	-	-	-	(32,586,985)	
Purchase of shares under employee share trust	23	(3,311,902)	-	-	-	(3,311,902)	
Performance rights - value of rights	24	-	-	741,239	-	741,239	
Loan share to senior management (net of dividends received back)	23	238,700	-	-	-	238,700	
Tax effect of transfer to cash to employee share trust	24	-	-	731,745	-	731,745	
Exercise of performance rights	24	408,936	-	(408,936)	-	-	
		(2,664,266)	(32,586,985)	-	1,064,048	834,529	(33,352,674)
Balance at 30 June 2024	15,887,091	117,791,094	(8,472,000)	2,858,764	(624,763)	127,440,186	

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		311,464,101	283,781,365
Payments to suppliers and employees (inclusive of GST)		(259,933,001)	(253,820,736)
		51,531,100	29,960,629
Interest received		3,429,075	1,650,486
Interest and other finance costs paid		(760,484)	(75,555)
Income taxes paid		(28,653,039)	(12,763,586)
Net cash inflow/(outflow) from operating activities	34	25,546,652	18,771,974
Cash flows from investing activities			
Dividends received from joint ventures and associates		2,294,688	1,021,959
Repayment of loans from joint ventures and associates		56,433	20,000
Loans to joint ventures and associates		-	(56,433)
Payments for property, plant and equipment	12	(1,086,189)	(4,353,037)
Payments for intangible assets	14	-	(59,312)
Net cash inflow/(outflow) from investing activities		1,264,932	(3,426,823)
Cash flows from financing activities			
Proceeds from borrowings		3,115,555	2,648,960
Repayments of borrowings		(3,506,067)	(3,493,610)
Purchase of shares by the employee share trust		(3,569,971)	(365,076)
Repayment of lease liabilities		(3,831,100)	(4,229,643)
Dividends paid to the Company's shareholders		(32,586,985)	(28,612,962)
Net cash outflow from financing activities		(40,378,568)	(34,052,331)
Net decrease in cash and cash equivalents		(13,566,984)	(18,707,180)
Cash and cash equivalents at the beginning of the financial year		82,412,067	100,946,619
Effects of exchange rate changes on cash and cash equivalents		(1,281,555)	172,628
Cash and cash equivalents at the end of financial year	8	67,563,528	82,412,067

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

Notes to the Financial Statements

30 June 2024

1. Summary of Material Accounting Policies

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

(a) Basis of Preparation

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

(i) New or Amended Accounting Standards and Interpretations Adopted

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

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

(ii) Historical Cost Convention

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

(iii) Critical Accounting Estimates

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

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are deconsolidated from the date that control ceases.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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

Notes to the Financial Statements

30 June 2024

(ii) Employee Share Trust

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

(iii) Joint Arrangements

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

(iv) Joint Ventures

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

(v) Associates

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

(vi) Equity Method

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

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

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

(vii) Changes in Ownership Interests

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

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

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

Notes to the Financial Statements

30 June 2024

(c) Segment Reporting

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

(d) Revenue and Other Income Recognition

Revenue from Contracts with Customers

The consolidated entity recognises revenue on an "over time" basis. This applies to the two services of which the consolidated entity provides:

- Engineering and related services
- Construction contracts

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

- (1) Identifying the contract with a customer
- (2) Identifying the performance obligations
- (3) Determining the transaction price
- (4) Allocating the transaction price to the performance obligations
- (5) Recognising revenue when/as performance obligation(s) are satisfied

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

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

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

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

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.

Interest

Interest revenue is recognised on an accrual basis.

Dividend

Dividend income is recognised when the dividend is declared.

Notes to the Financial Statements

30 June 2024

Rental income

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

(e) Foreign Currency Translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

(iii) Consolidated Entities

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

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

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

(f) Income Tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial report. However, deferred tax liabilities

Notes to the Financial Statements

30 June 2024

are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

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

(g) Right-of-Use Assets

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity 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 consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(h) Business Combinations

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

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair

Notes to the Financial Statements

30 June 2024

value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

(i) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(j) Current and Non-Current Classification

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

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

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

(k) Cash and Cash Equivalents

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

(l) Trade Receivables and other receivables

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

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

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carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income within 'other expenses'. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

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

(m) Contract Assets

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

(n) Customer Acquisition Costs

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

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

(o) Customer Fulfilment Costs

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

(p) Inventories

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

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

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

(q) Non-Derivative Financial Assets

(i) Classification

The consolidated entity classifies its financial assets in the following measurement categories:

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

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

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

(ii) Measurement

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

Debt Instruments

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

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

Equity Instruments

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

(iii) Impairment

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

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

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(r) Non-Derivative Financial Liabilities

Interest Bearing Liabilities

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

Trade and Other Payables

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

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year 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.

(s) Contract Liabilities

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

(t) 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.

(u) Lease Liabilities

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

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

(v) Finance Costs

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

(w) Derivative Financial Instruments

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

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

Cash Flow Hedge

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

When option contracts are used to hedge forecast transactions, the consolidated entity designates only the intrinsic value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedge reserve in equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

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

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

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

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

(x) Property, Plant and Equipment

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

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

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

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

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

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

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

(y) Intangible Assets

(i) Goodwill

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

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

(ii) Software

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

(z) Borrowing Costs

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

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

(aa) Provisions

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

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

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

(ab) Employee Benefits

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(i) Short-Term Obligations

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

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

(ii) Retirement Benefit Obligations

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

(iii) Share-Based Payments

Share-based compensation benefits are provided to certain Executive Directors and other designated employees via the Performance Rights Plans. Information relating to this scheme is set out in note 36.

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

The fair value at grant date is independently determined using a Binomial Tree option pricing model that takes into account the exercise price, the term of the rights, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the rights, 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 rights.

(iv) Loan Funded Share Plan

A limited recourse loans was provided to eligible employees of the Company or such other persons as the Board determines.

A broad outline of the plan is summarised below:

- The Company will loan funds to participating employees to purchase Lycopodium Limited shares.
- The loan will be a limited recourse loan provided the employee stays with the Company for greater than 3 years.
- During the term of the loan, dividends will be offset against the outstanding loan balance.

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

Share Based Payment

The difference between the value of the shares purchased and the value of the shares allocated to participating employees represents the cost to the Company for providing the loan to the employees. This amount is expensed in the profit and loss upon vesting.

Loan funded shares

The loan funded shares purchased by the eligible employee are classified as a reduction in equity as at the reporting date.

(v) Defined Contribution Superannuation Expense

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

(ac) Issued Capital

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

(ad) Dividends

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

(ae) Earnings Per Share

(i) Basic Earnings Per Share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted Earnings Per Share

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

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

(af) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated 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 taxation authority, are presented as operating cash flows.

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

(ag) Fair Value Measurement

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

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

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

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

(ah) Employee share trust

The consolidated entity has in place a trust to administer the consolidated entity's employee share and share rights schemes. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the consolidated entity. Shares held by the Lycopodium Employee Share Trust are disclosed as Treasury shares and deducted from contributed equity.

The movement in treasury shares represent acquisition of the Company's shares on market and allocation of shares to the Company's employees from the vesting of awards and exercise of rights under the employee share-based payment trust.

(ai) Parent Entity Financial Information

The financial information for the parent entity, Lycopodium Limited, disclosed in note 37 has been prepared on the same basis as the consolidated financial report, except as set out below.

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

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

(ii) Share Based Payments

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

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2. Financial Risk Management

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

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

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

(a) Market Risk

(i) Foreign Exchange Risk

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

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

Exposure

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

	2024		2023	
	USD \$	CAD \$	USD \$	CAD \$
Cash and cash equivalents	10,622,339	7,436,955	9,709,240	2,899,858
Trade and other receivables	5,253,083	4,215,399	4,403,429	15,673,450
Other current assets	-	88,865	-	276,180
Trade and other payables	-	(5,550,435)	-	(9,376,094)
Net exposure	15,875,422	6,190,784	14,112,669	9,473,394

Sensitivity

Based on the financial instruments held at 30 June 2024, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the consolidated entity's post-tax profit and equity for the year would have been \$1,587,542 higher/\$1,587,542 lower (2023: \$1,411,267 higher/\$1,411,267 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table.

Based on the financial instruments held at 30 June 2024, had the Australian dollar weakened/strengthened by 10% against the Canadian Dollar with all other variables held constant, the consolidated entity's post-tax profit and equity for the year would have been \$619,078 higher/\$619,078 lower (2023: \$947,339 higher/\$947,339 lower), mainly as a result of foreign exchange gains/losses on translation of Canadian dollars denominated financial instruments as detailed in the above table.

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

(ii) Price Risk

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

(iii) Interest Rate Risk

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

Sensitivity

At 30 June 2024, if interest rates had changed by +/-50 basis points from the year end rates with all other variables held constant, post-tax profit and equity for the year would have been \$236,068 lower/higher (2023: \$275,208 lower/higher), as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit Risk

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

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

	2024 \$	2023 \$
Cash and cash equivalents	67,563,528	82,412,067
Trade and other receivables	107,377,645	87,086,807
Deposits held with banks (note 11)	628,002	1,007,348
	175,569,175	170,506,222

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

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

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

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

Deposits Held With Banks

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

(c) Liquidity Risk

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

Financing Arrangements

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

	2024 \$	2023 \$
Leasing facility	4,942,406	5,683,317
Standby credit facility	10,811,170	10,811,169
Insurance bonds	52,450,900	64,073,021
	68,204,476	80,567,507

Maturities of financial liabilities

The following tables detail the consolidated entity's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The table includes both interest and principal cash flows.

Consolidated - 30 June 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount liabilities \$
Non-derivatives							
Non-interest bearing							
Trade Payables		41,301,397	-	-	-	41,301,397	41,301,397
Interest bearing							
Finance leases	4.41	25,736	10,724	-	-	36,460	36,046
Lease Liabilities	5.16	3,440,665	3,490,322	5,512,375	1,021,982	13,465,344	12,326,375
Borrowings	4.94	374,600	-	-	-	374,600	374,481
		45,142,398	3,501,046	5,512,375	1,021,982	55,177,801	54,038,299

Notes to the Financial Statements

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Consolidated - 30 June 2023	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount liabilities \$
Non-derivatives							
Non-interest bearing							
Trade Payables		23,776,529	-	-	-	23,776,529	23,776,529
Interest bearing							
Finance leases	4.41	25,736	36,146	-	-	61,882	60,515
Lease Liabilities	5.36	4,458,515	4,015,946	4,854,792	3,780,125	17,109,378	15,021,333
Borrowings	2.49	692,568	-	-	-	692,568	683,316
		28,953,348	4,052,092	4,854,792	3,780,125	41,640,357	39,541,693

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

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 consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Critical Accounting Estimates and Assumptions

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

(i) Impairment Testing of Goodwill

The consolidated entity tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(i). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 14 for details of these assumptions and the potential impact of changes to the assumptions.

(ii) Service and Equipment Warranties

In accordance with the accounting policy stated in note 1(aa), the consolidated entity has recognised warranty provisions at the end of the financial year in respect of potential claims for rectification work on some of its EPC contracts. Refer to note 20 in relation to the service warranty provisions provided at period end. The amounts provided takes into account the percentage completion of the project, forecast to complete costs plus any close-out obligations and potential contractual liabilities during the warranty period.

(iii) Fixed-Price Contracts

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

Significant assumptions are required to estimate the total contract costs and the recoverable variations work that will affect the stage of completion and the contract revenue respectively. In making these estimates, the consolidated entity has relied on experience and the best available information.

Notes to the Financial Statements

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(iv) Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

4. Segment Information

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

As part of our ongoing assessment of operations we have updated our segments and restated the comparatives.

(a) Description of Segments

The Board considers the business from both a product and geographic perspective and has identified four operating segments of which three (2023: three) are reportable in accordance with the requirements of AASB 8.

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

The Industrial Process segment consists of engineering and related services provided to manufacturing and renewable energy facilities throughout Australia and Southeast Asia.

The Rail Infrastructure segment consists of asset management, engineering, architectural and project delivery services to a wide range of public and private clients across Australia.

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

The remaining operating segments that are not reportable consists of:

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

30 June 2024

(b) Segment Information

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2024 and 2023 are as follows:

30 June 2024	Resources \$	Rail Infrastructure \$	Industrial Processes \$	Other \$	Total \$
Total segment revenue	366,491,691	10,211,077	11,446,720	8,707,984	396,857,472
Inter-segment revenue	(49,918,352)	(44,551)	(260,156)	(2,085,201)	(52,308,260)
Revenue from external customers	316,573,339	10,166,526	11,186,564	6,622,783	344,549,212
Interest income	2,430,608	-	2,113	996,354	3,429,075
Other income	762,078	107,268	3,279	28,427	901,052
Total revenue					348,879,339
Segment profit/(Loss) before tax	63,961,995	835,701	2,476,027	1,427,468	68,701,191
Unallocated:					
Depreciation and amortisation					(3,971,088)
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method					2,512,602
Other unallocated					2,492,934
Profit before tax					69,735,639
Income tax expense					(18,803,093)
Profit after tax					50,932,546
Total segment assets	170,270,961	4,776,530	7,833,894	6,230,738	189,112,123
Intersegment eliminations					(16,083,495)
Intangibles arising on consolidation					6,126,228
Unallocated Segment Assets:					
Cash and cash equivalents					2,943,150
Trade and other receivables					833,201
Right-of-use assets					8,316,371
Other unallocated segment assets					25,796,963
Total assets					217,044,541
Total assets include:					
Additions to non-current assets (other than financial assets and deferred tax)					
Total segment liabilities	83,414,172	1,475,627	2,631,162	(5,129,092)	82,391,869
Intersegment eliminations					14,763,565
Unallocated Segment Liabilities:					
Trade and other payables					(2,490,914)
Provision for income tax					21,366,728
Lease liabilities					(9,773,289)
Other unallocated segment liabilities					(16,653,604)
Total liabilities					89,604,355

Notes to the Financial Statements

30 June 2024

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2024 and 2023 are as follows:

30 June 2023	Resources \$	Rail Infrastructure \$	Industrial Processes \$	Other \$	Total \$
Total segment revenue	348,505,896	16,286,530	12,038,070	6,523,938	383,354,434
Inter-segment revenue	(58,927,462)	(3,890)	(122,217)	(421,482)	(59,475,051)
Revenue from external customers	289,578,434	16,282,640	11,915,853	6,102,456	323,879,383
Interest income	1,007,388	-	1,939	641,159	1,650,486
Other income	142,693	104,144	-	1,794,797	2,041,634
Total revenue					327,571,503
Segment profit before tax	54,913,138	1,632,523	4,011,035	711,285	61,267,981
Unallocated:					
Depreciation and amortisation					(3,774,804)
Share of net profit of associates and joint ventures accounted for using the equity method					2,063,093
Other unallocated					3,720,393
Profit before tax					63,276,663
Income tax expense					(17,718,082)
Profit after tax					45,558,581
Total segment assets	161,496,706	4,424,585	7,511,361	5,192,952	178,625,604
Intersegment eliminations					(35,947,940)
Intangibles arising on consolidation					6,126,228
Unallocated Segment Assets:					
Cash and cash equivalents					1,780,133
Trade and other receivables					10,022,611
Right-of-use assets					9,572,469
Other unallocated segment assets					45,699,484
Total assets					215,878,589
Total assets include:					
Additions to non-current assets (other than financial assets and deferred tax)	2,722,481	76,939	1,440	-	2,800,861
Total segment liabilities	118,539,686	1,709,383	3,784,656	(5,335,845)	118,697,880
Intersegment eliminations					(19,956,177)
Unallocated Segment Liabilities:					
Trade and other payables					3,128,776
Provision for income tax					(11,169,695)
Lease liabilities					10,920,332
Other unallocated segment liabilities					1,292,566
Total liabilities					102,913,682

Notes to the Financial Statements

30 June 2024

(c) Segment Revenue

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

The entity is domiciled in Australia. The result of its revenue from external customers in Australia is \$125,953,598 (2023: \$123,004,383), and the total of revenue from external customers from other countries is \$222,930,020 (2023: \$204,567,120). Segment revenues are allocated based on the country in which the customer is located. However, it is practically difficult to determine revenue as per the domicile of external customers.

Revenues of approximately \$84,777,256 (2023: 73,238,453) are derived from the top 3 customers. These revenues are attributable to the Resources segment.

5. Revenue

(a) Disaggregation of Revenue from Contracts with Customers

	2024			2023		
	Engineering & related services \$	Construction contracts \$	Total \$	Engineering & related services \$	Construction contracts \$	Total \$
Resources	286,425,953	30,147,386	316,573,339	218,788,648	70,789,786	289,578,434
Rail Infrastructure	10,166,526	-	10,166,526	16,282,640	-	16,282,640
Industrial Processes	11,186,564	-	11,186,564	11,915,853	-	11,915,853
Other	6,622,783	-	6,622,783	6,102,456	-	6,102,456
Total revenue	314,401,826	30,147,386	344,549,212	253,089,597	70,789,786	323,879,383

Timing of revenue recognition: All revenue from contracts with customers are transferred over time.

(b) Assets and Liabilities Related to Contracts with Customers

	2024 \$	2023 \$
Asset recognised for costs incurred to fulfil a contract	-	-
Total contract assets	-	-
Advances received for construction contract work	-	-
Deferred services income	10,553,859	25,166,322
Total contract liabilities	10,553,859	25,166,322

Significant Changes in Contract Assets and Liabilities

Advances received for construction contract work and deferred services income represent customer payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in FY 2024.

Notes to the Financial Statements

30 June 2024

(c) Other Income

	2024 \$	2023 \$
Net fair value (loss)/gain on financial instruments	(287,456)	1,133,284
Rental income	284,394	356,417
Sundry income	904,114	551,933
Total other income	901,052	2,041,634

6. Expenses

	2024 \$	2023 \$
Profit before income tax includes the following specific expenses:		
Depreciation and Amortisation		
Fixtures and fittings	1,842,987	1,608,250
Leasehold improvements	625,465	693,840
Motor vehicles	43,777	35,454
Leased plant and equipment	23,358	22,054
Office premises right-of-use assets	3,912,578	3,846,743
Computer software	122,843	160,168
Total depreciation and amortisation	6,571,008	6,366,509
Net foreign exchange gains	(730,323)	(2,008,357)
Finance costs		
Interest and finance charges paid/payable on borrowings	77,831	75,257
Interest and finance charges paid/payable on lease liabilities	682,653	764,019
Total finance cost	760,484	839,276
Share based payments	741,239	1,025,075
Defined contribution superannuation expense	5,891,181	5,511,094

7. Income Tax Expense

(a) Income Tax Expense

	2024 \$	2023 \$
Current tax on profits for the year	20,766,753	19,246,329
Deferred tax on profits for the year	56,879	8,912,786
Adjustments for current tax of prior periods	431,203	(10,712,756)
Adjustments for deferred tax of prior periods	(2,451,742)	271,723
	18,803,093	17,718,082
Deferred income tax expense/(benefit) included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets (note 15)	(2,600,092)	10,140,732
Increase/(decrease) in deferred tax liabilities (note 21)	205,229	(1,227,946)
	(2,394,863)	8,912,786

Notes to the Financial Statements

30 June 2024

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

	2024 \$	2023 \$
Profit before income tax expense	69,735,639	63,276,663
Tax at the Australian tax rate of 30% (2023: 30%)	20,920,692	18,982,999
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payment	222,372	346,281
Sundry items	59,954	161,009
Withholding tax gross-up	344,530	224,762
	21,547,548	19,715,051
Adjustments for current tax of prior periods - under/(over) provision of prior year income tax	(2,020,540)	(897,980)
Difference in overseas tax rates	(720,845)	(706,300)
Deferred taxes not recognised	-	(610,817)
Share of net profit of joint ventures accounted for using the equity method	(753,781)	(618,928)
Foreign tax incurred	-	4,328
Others	750,711	832,728
Total income tax expense	18,803,093	17,718,082

(c) Tax Consolidation

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

Tax Effect Accounting by Members of the Tax Consolidated Group

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

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

8. Current Assets - Cash and Cash Equivalents

	2024 \$	2023 \$
Cash at bank and in hand	67,563,528	82,412,067

Risk Exposure

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

Notes to the Financial Statements

30 June 2024

9. Current Assets - Trade and other Receivables

	2024 \$	2023 \$
Trade receivables	84,643,689	68,455,295
Allowance for expected credit loss (a)	(729,813)	(760,685)
	83,913,876	67,694,610
GST and other receivables	23,429,323	19,247,258
Cash advanced to employees	34,446	88,506
Loan to joint ventures	-	56,433
	23,463,769	19,392,197
	107,377,645	87,086,807

(a) Allowance for Expected Credit Loss

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

	2024 \$	2023 \$
Balance 1 July	760,685	1,029,030
Receivables written off during the year as uncollectible	-	6,910
Unused amount reversed	(32,619)	(291,849)
Exchange difference	1,747	16,594
Balance 30 June	729,813	760,685

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

The expected credit loss for trade receivables as at 30 June 2024 and 30 June 2023 are as follows:

30 June 2024	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
Expected credit loss rate	0%	0%	0%	15.4%	-
Gross carrying amount	73,503,584	5,444,802	966,043	4,729,260	84,643,689
Lifetime expected credit loss	-	-	-	729,813	729,813

30 June 2023	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
Expected credit loss rate	0%	0%	0%	40.4%	-
Gross carrying amount	60,713,934	4,405,211	1,453,455	1,882,695	68,455,295
Lifetime expected credit loss	-	-	-	760,685	760,685

(b) Risk Exposure

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

Notes to the Financial Statements

30 June 2024

(c) Fair Value and Credit Risk

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

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

10. Current Assets – Inventories

	2024 \$	2023 \$
Consumables	319,856	275,629

11. Current Assets - other Current Assets

	2024 \$	2023 \$
Prepayments	4,072,922	4,702,178
Deposits with licensed banks*	628,002	1,007,348
Other current assets	464,652	1,599,152
	5,165,576	7,308,678

*Deposit with licensed banks are security/bonds on the various properties leased by the consolidated entity.

12. Non-Current Assets - Property, Plant and Equipment

Year ended 30 June 2023	Fixtures and fittings \$	Motor vehicles \$	Leasehold improvements \$	Leased plant and equipment \$	Total \$
Opening net book amount	4,205,544	224,825	2,386,828	80,765	6,897,962
Additions	2,750,336	65,275	1,537,424	-	4,353,035
Disposals	(797)	-	-	-	(797)
Depreciation charge	(1,608,249)	(35,454)	(693,840)	(22,054)	(2,359,597)
Transfers	-	-	-	-	-
Exchange differences	(350,957)	(23,093)	(3,742)	-	(377,792)
Closing net book amount	4,995,877	231,553	3,226,670	58,711	8,512,811
30 June 2023					
Cost	16,222,557	405,544	5,406,497	137,738	22,172,336
Accumulated depreciation	(11,226,680)	(173,991)	(2,179,827)	(79,027)	(13,659,525)
Net book amount	4,995,877	231,553	3,226,670	58,711	8,512,811

Year ended 30 June 2024	Fixtures and fittings \$	Motor vehicles \$	Leasehold improvements \$	Leased plant and equipment \$	Total \$
Opening net book amount	4,995,877	231,553	3,226,670	58,711	8,512,811
Additions	961,115	45,203	79,872	-	1,086,190
Disposals	(43,767)	-	-	-	(43,767)
Depreciation charge	(1,842,987)	(43,777)	(625,465)	(23,358)	(2,535,587)
Transfers	-	-	-	-	-
Exchange differences	(53,943)	(7,174)	(54,724)	-	(115,841)
Closing net book amount	4,016,295	225,805	2,626,353	35,353	6,903,806
30 June 2024					
Cost	16,298,562	435,115	5,367,953	137,738	22,239,368
Accumulated depreciation	(12,282,267)	(209,310)	(2,741,600)	(102,385)	(15,335,562)
Net book amount	4,016,295	225,805	2,626,353	35,353	6,903,806

Notes to the Financial Statements

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13. Non-Current Assets - Right-of-Use Assets

	2024 \$	2023 \$
Land and buildings – right-of-use	24,291,274	23,135,651
Accumulated depreciation	(13,820,472)	(9,888,412)
Net book amount	10,470,802	13,247,239

	2024 \$	2023 \$
Right-of-Use Assets		
Balance 1 July	13,247,239	13,687,667
Additions	1,122,324	3,458,302
Depreciation	(3,912,578)	(3,846,743)
Currency translation differences during the year	13,817	(51,987)
Balance 30 June	10,470,802	13,247,239

Right of Use Assets includes Office space and Vehicle lease.

Additions to the right-of-use assets during the year were \$1,122,324

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

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

14. Non-Current Assets - Intangible Assets

Year ended 30 June 2023	Goodwill \$	Software \$	Customer contracts \$	Total \$
Opening net book amount	6,207,274	317,000	-	6,524,274
Additions	-	59,312	-	59,312
Impairment	-	-	-	-
Amortisation charge*	-	(160,168)	-	(160,168)
Exchange differences	-	24,470	-	24,470
Closing net book amount	6,207,274	240,614	-	6,447,888
30 June 2023				
Cost	8,885,406	3,060,647	315,000	12,261,053
Accumulated amortisation**	(2,678,132)	(2,820,033)	(315,000)	(5,813,165)
Net book amount	6,207,274	240,614	-	6,447,888

Notes to the Financial Statements

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Year ended 30 June 2024	Goodwill \$	Software \$	Customer contracts \$	Total \$
Opening net book amount	6,207,274	240,614	-	6,447,888
Amortisation charge*	-	(122,843)	-	(122,843)
Exchange differences	-	3,015	-	3,015
Closing net book amount	6,207,274	120,786	-	6,328,060
30 June 2024				
Cost	8,885,406	3,052,960	315,000	12,253,366
Accumulated amortisation**	(2,678,132)	(2,932,174)	(315,000)	(5,925,306)
Net book amount	6,207,274	120,786	-	6,328,060

*Consolidated entity amortisation of \$122,843 (2023: \$160,168) is included in depreciation and amortisation expense in the Statement of Profit or Loss and Other Comprehensive Income.

**The accumulated amortisation on goodwill relates to impairment accounted for in prior years.

(a) Impairment Tests for Goodwill

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

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

2024	Australia \$	Africa \$	Total \$
Minerals	3,622,991	2,465,026	6,088,017
Metallurgical	119,257	-	119,257
	3,742,248	2,465,026	6,207,274

2023	Australia \$	Africa \$	Total \$
Minerals	3,622,991	2,465,026	6,088,017
Metallurgical	119,257	-	119,257
	3,742,248	2,465,026	6,207,274

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

The recoverable amount of each CGU within the business segment is determined on the basis of value-in-use (VIU). In the Minerals CGU, the consolidated entity's experience and strength in the gold sector and opportunities in sustaining capital works projects underpins the forecast growth both internationally and domestically.

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

Growth Rate

The growth rate represents a steady indexation rate which does not exceed management's expectations of the long-term average growth rate for the business in which each CGU operates. The rate applied in the cash flow projection is for Australia 1.4% (2023: 1.4%) and for Africa 2% (2023 2%).

Discount Rate

For the Australian CGUs, the pre-tax discount rate applied to cash flow projections is 8.65% (2023: 8.65%) and for the Minerals CGUs in other countries, the pre-tax discount rate is 13.09% (2023: 13.09%).

The discount rates mentioned above reflect management's estimate of the time value of money and the consolidated entity's weighted average cost of capital and the risk-free rate.

Notes to the Financial Statements

30 June 2024

Cash Flows

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

Revenue

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

Sensitivities

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

(c) Cash Flow Assumptions

Minerals and Metallurgical

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

15. Non-Current Assets - Deferred Tax Assets

	2024 \$	2023 \$
The balance comprises temporary differences attributable to:		
Employee benefits	4,526,536	1,020,166
Accrued expenses	377,984	187,998
Other provisions	970,991	2,514,386
Lease liabilities	3,104,359	3,566,227
Employee Share Trust	1,284,245	375,246
	10,264,115	7,664,023
Set-off of deferred tax liabilities pursuant to set-off provisions (note 21)	(4,160,148)	(3,954,919)
Net deferred tax assets	6,103,967	3,709,104
Deferred tax assets expected to be recovered within 12 months	8,979,870	3,814,979
Deferred tax assets expected to be recovered after more than 12 months	1,284,245	3,849,044
	10,264,115	7,664,023

Notes to the Financial Statements

30 June 2024

Movements:	Employee benefits \$	Accrued expenses \$	Other provisions \$	Lease liabilities \$	Employee Share Trust \$	Total \$
Balance 1 July 2022	2,574,453	336,556	10,258,527	4,205,718	429,501	17,804,755
Credited/(charged) - to profit or loss	(1,554,287)	(148,558)	(7,744,141)	(639,491)	(54,255)	(10,140,732)
Balance 30 June 2023	1,020,166	187,998	2,514,386	3,566,227	375,246	7,664,023

Movements:	Employee benefits \$	Accrued expenses \$	Other provisions \$	Lease liabilities \$	Employee Share Trust \$	Total \$
Balance 1 July 2023	1,020,166	187,998	2,514,386	3,566,227	375,246	7,664,023
Credited/(charged) - to profit or loss	3,506,370	189,986	(1,543,395)	(461,868)	908,999	2,600,092
Balance 30 June 2024	4,526,536	377,984	970,991	3,104,359	1,284,245	10,264,115

16. Financial Assets and Financial Liabilities

(a) Categories of Financial Assets and Liabilities

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

Financial Assets 2024	Note	Fair value through profit or loss \$	Amortised cost \$	Total \$
Cash and cash equivalents	8	-	67,563,528	67,563,528
Trade and other receivables	9	-	107,377,645	107,377,645
Deposits held with banks	11	-	628,002	628,002
Investment in listed equities	16(c)	2,781,415	-	2,781,415
		2,781,415	175,569,175	178,350,590

Financial Assets 2023	Note	Fair value through profit or loss \$	Amortised cost \$	Total \$
Cash and cash equivalents Minerals	8	-	82,412,067	82,412,067
Trade and other receivables	9	-	87,086,807	87,086,807
Deposits held with banks	11	-	1,007,348	1,007,348
Investment in listed equities	16(c)	3,037,485	-	3,037,485
		3,037,485	170,506,222	173,543,707

Financial Liabilities 2024	Note	Fair value through profit or loss \$	Amortised cost \$	Total \$
Trade and other payables		-	47,627,350	47,627,350
Borrowings	16(b)	-	289,624	289,624
Lease liabilities		-	12,326,375	12,326,375
		-	60,243,349	60,243,349

Notes to the Financial Statements

30 June 2024

Financial Liabilities 2023	Note	Fair value through profit or loss \$	Amortised cost \$	Total \$
Trade and other payables		-	23,776,529	23,776,529
Borrowings	16(b)	-	680,136	680,136
Lease liabilities		-	15,021,333	15,021,333
		-	39,477,998	39,477,998

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

(b) Borrowings

Borrowings include the following financial liabilities:

	2024			2023		
	Current \$	Non-Current \$	Total \$	Current \$	Non-Current \$	Total \$
Secured						
Finance Leases	289,624	-	289,624	680,136	-	680,136
Total Secured borrowings	289,624	-	289,624	680,136	-	680,136
Unsecured						
Other Loans	-	-	-	-	-	-
Total Unsecured borrowings	-	-	-	-	-	-
Total borrowings	289,624	-	289,624	680,136	-	680,136

All borrowings are denominated in AUD.

Bank borrowings are secured by plant and equipment owned by the consolidated entity. Current interest rates are variable and average 4.94% (2023: 2.65%). The carrying amount of bank borrowings is considered to be a reasonable approximation of fair value.

(c) Fair Value Measurement

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

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

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2024 and 30 June 2023.

2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Listed Securities	2,781,415	-	-	2,781,415
Derivative asset/(liabilities) – foreign exchange forward contracts	-	-	-	-
Net fair value	2,781,415	-	-	2,781,415

Notes to the Financial Statements

30 June 2024

2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Listed Securities	3,037,485	-	-	3,037,485
Derivative asset – foreign exchange forward contracts	-	31,386	-	31,386
Net fair value	3,037,485	31,386	-	3,068,871

There were no transfers between Level 1 and Level 2 in 2024 and 2023.

Movements:	2024 \$	2023 \$
Listed Securities		
Balance 1 July	3,037,485	2,471,669
Additions	-	-
Revaluation	(256,070)	565,816
Disposals	-	-
Balance 30 June	2,781,415	3,037,485

Measurement of Fair Value of Financial Instruments

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

Foreign Currency Forward Contracts (Level 2)

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

17. Non-Current Assets – Investments Accounted for Using the Equity Method

	2024 \$	2023 \$
Investment in joint ventures	193,247	1,156,701
Investment in associates	3,836,639	2,652,794
	4,029,886	3,809,495

(a) Investment in Joint Ventures

The consolidated entity has the following joint ventures:

Name of Joint Venture	Country of incorporation & principal place of business	Principal activities	Proportion of ownership interest held by the consolidated entity	
			2024	2023
Mondium Pty Ltd ('Mondium')	Australia	Engineering and construction services	40%	40%
Orway IQ Pty Ltd ('OIQ') Incorporated in May 2019	Australia	Remote optimisation consulting services	50%	50%

Notes to the Financial Statements

30 June 2024

Summarised financial information of the joint venture that is material to the consolidated entity is set out below.

The consolidated entity's share of the results of its principal joint ventures:	2024 \$	2023 \$
Profit from continuing operations	236,546	336,711
Other comprehensive income	-	-
Total comprehensive income	236,546	336,711

Carrying amount of the consolidated entity's interest in joint ventures	193,247	1,156,701
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Joint ventures summarised Statement of Financial Position	2024 \$	2023 \$
Cash and cash equivalents	14,151,219	19,324,018
Current assets	14,236,240	19,049,059
Non-current assets	2,323,533	2,689,346
Total assets	16,559,773	21,738,405
Current liabilities	(14,031,736)	(18,405,717)
Non-current liabilities	(2,044,919)	(440,936)
Total liabilities	(16,076,655)	(18,846,653)
Net assets	483,118	2,891,752
Consolidated entity's share of joint ventures net assets	193,247	1,156,701

Included in the carrying amount of the Company's interest in joint venture is dividends received of \$1,200,000 (2023: Nil).

(b) Investment in Associates

Name of Associate	Country of incorporation & principal place of business	Principal activities	Proportion of ownership interest held by the consolidated entity	
			2024	2023
ECG Engineering Pty Ltd	Australia	Electrical engineering services	31%	31%
Kholo Marine & Minerals (Pty) Ltd incorporated July 2019	South Africa	Engineering and consulting services	49%	49%

The consolidated entity's share of the results of its principal associates:	2024 \$	2023 \$
Profit from continuing operations	2,276,056	1,726,382
Other comprehensive income	-	-
Total comprehensive income	2,276,056	1,726,382

Carrying amount of the consolidated entity's interest in associates	3,836,639	2,652,794
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Included in the carrying amount of the Company's interest in associate is dividends received of \$1,094,688 (2023: \$1,021,959).

Notes to the Financial Statements

30 June 2024

Associate summarised Statement of Financial Position	2024 \$	2023 \$
Cash and cash equivalents	2,142,279	1,275,399
Current assets	17,309,717	12,408,693
Non-current assets	1,170,915	1,011,330
Total assets	18,480,632	13,420,023
Current liabilities	(6,354,412)	(4,116,866)
Non-current liabilities	(494,034)	(745,757)
Total liabilities	(6,848,446)	(4,862,623)
Net assets	11,632,186	8,557,400
Consolidated entity's share of associate net assets	3,605,978	2,652,794

18. Current Liabilities - Trade and Other Payables

	2024 \$	2023 \$
Trade payables	4,333,207	5,408,804
Goods and services tax (GST) payable	6,325,953	5,032,437
Sundry creditors and accrued expenses	36,968,190	18,367,725
	47,627,350	28,808,966

Included in the above are financial liabilities of \$47,627,350 (2023: \$23,776,529).

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

19. Current Liabilities – Employee Benefits

	2024 \$	2023 \$
Employee benefit obligations	7,973,442	9,221,812
	7,973,442	9,221,812

Amounts not Expected to be Settled Within the Next 12 Months

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

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

	2024 \$	2023 \$
Annual leave obligation expected to be settled after 12 months	2,100,440	1,884,216
Long service leave obligation expected to be settled after 12 months	1,879,692	1,526,707
	3,980,132	3,410,923

20. Current Liabilities – Provisions

	2024 \$	2023 \$
Service and equipment warranties	1,730,284	9,578,601

Notes to the Financial Statements

30 June 2024

(a) Movements in Provisions

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

Movements:	Service and equipment warranties \$	Total \$
Balance 1 July	9,578,601	9,578,601
Provisions reversed	(9,525,640)	(9,525,640)
Provisions recognised	1,730,284	1,730,284
Exchange differences	(52,961)	(52,961)
Balance 30 June	1,730,284	1,730,284

The consolidated entity recognises service and equipment warranty provisions in accordance with its current policy. The amount provided takes into account the percentage completion of the project, forecast to complete costs plus any close-out obligations and potential contractual liabilities during the warranty period. The provision is reversed in event where the project is completed or no further obligation is probable as at the reporting date.

21. Non-Current Liabilities - Deferred Tax Liabilities

	2024 \$	2023 \$
Accrued income	-	170,241
Other provisions	530,378	17,945
Depreciation & amortisation	972,277	627,197
Prepaid expenses	-	-
Right-of-use assets	2,657,493	3,139,536
	4,160,148	3,954,919
Set-off of deferred tax liabilities pursuant to set-off provisions (note 15)	(4,160,148)	(3,954,919)
Net deferred tax liabilities	-	-
Deferred tax liabilities expected to be settled within 12 months	469,622	191,087
Deferred tax liabilities expected to be settled after more than 12 months	3,690,527	3,763,832
	4,160,148	3,954,919

The balance comprises temporary differences attributable to:

Movements:	Depreciation & amortisation	Accrued income \$	Other provisions \$	Prepaid expenses \$	Right-of- use assets \$	Total \$
Balance 1 July 2022	1,368,892	(15,624)	37,681	(1,129)	3,793,045	5,182,865
Charged/(credited) - profit or loss	(741,695)	185,865	(19,736)	1,129	(653,509)	(1,227,946)
Balance 30 June 2023	627,197	170,241	17,945	-	3,139,536	3,954,919

Movements:	Depreciation & amortisation	Accrued income \$	Other provisions \$	Prepaid expenses \$	Right-of- use assets \$	Total \$
Balance 1 July 2023	627,197	170,241	17,945	-	3,139,536	3,954,919
Charged/(credited) - profit or loss	345,080	(170,241)	512,433	-	(482,043)	205,229
Balance 30 June 2024	972,277	-	530,378	-	2,657,493	4,160,148

Notes to the Financial Statements

30 June 2024

22. Non-Current Liabilities – Employee Benefits

	2024 \$	2023 \$
Employee benefits - long service leave	3,758,773	1,526,707

23. Issued Capital

(a) Share Capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares				
Fully paid	39,740,226	39,740,226	20,854,574	20,854,574
Less: Treasury shares held by Employee Share Trust	(626,070)	(265,033)	(4,343,985)*	(1,032,083)*
Add: Exercise of shares through Employee Share Trust	287,848	201,209	1,283,129	874,193
Less: Loan funded shares to senior management	(350,000)	(350,000)	(1,906,627)**	(2,145,327)**
Balance at the end of the period	39,052,004	39,326,402	15,887,091	18,551,357

*Movement in treasury shares held by Employee Share Trust during the year ended 30 June 2024 amounted to \$3,311,902 (2023: \$142,391)

**Movement in Loan Funded Shares to Senior management during the year ended 30 June 2024 amounted to \$238,700 (2023: \$1,243,499)

Refer Note 1 (ah) for accounting policy on accounting for Employee Share Trust. Refer Note 36(b) for further details on loan funded shares.

(b) Ordinary Shares

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

(c) Capital Risk Management

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

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

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

During 2024, the consolidated entity's strategy was to maintain a gearing ratio of less than 40%. The gearing ratio at 30 June 2024 and 30 June 2023 was as follows:

	2024 \$	2023 \$
Total borrowings (including payables)	66,444,274	63,877,236
Less: cash and cash equivalents	(67,563,528)	(82,412,067)
Net debt	(1,119,254)	(18,534,831)
Total equity	127,440,186	113,069,761
Total capital	126,320,932	94,534,930
Gearing ratio	(1%)	(16%)

Notes to the Financial Statements

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24. Reserves

	2024 \$	2023 \$
Share-based Payment Reserve	2,858,764	1,794,716
Foreign currency translation reserve	(8,472,000)	(5,367,407)
	(5,613,236)	(3,572,691)

Movements:	2024 \$	2023 \$
Share-based Payments Reserve		
Balance 1 July	1,794,716	1,333,109
Performance rights plan expense	741,239	574,275
Loan funded shares	-	450,800
Transfer to share capital - exercise of rights	(408,936)	(593,087)
Tax effect of transfer to cash to employee share trust	731,745	29,619
Balance 30 June	2,858,764	1,794,716
Foreign Currency Translation Reserve		
Balance 1 July	(5,367,407)	(1,670,613)
Currency translation differences arising during the year	(3,104,593)	(3,696,794)
Balance 30 June	(8,472,000)	(5,367,407)

(a) Nature and Purpose of Reserves

(i) Share-based Payments Reserve

The Share-based Payment Reserve is used to recognised the fair value of rights issued to certain Directors or employees during the year. This also includes reserve for other share-based payments.

(ii) Foreign Currency Translation Reserve

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

25. Retained Earnings

	2024 \$	2023 \$
Balance 1 July	99,663,882	81,496,413
Profit for the year	50,714,197	46,780,431
Dividends paid or payable	(32,586,985)	(28,612,962)
Balance 30 June	117,791,094	99,663,882

26. Non-Controlling Interests

	2024 \$	2023 \$
Share capital	13,264	13,264
Reserves	4,003	4,003
Non-controlling interest on acquisition	(288,240)	(288,240)
Retained earnings	(353,790)	(1,406,668)
	(624,763)	(1,677,641)

Notes to the Financial Statements

30 June 2024

27. Dividends

(a) Ordinary Shares

	2024 \$	2023 \$
Final dividends for year ended 30 June 2023 of 45.0 cents (2022: 36.0 cents) per fully paid share paid on 6 October 2023 (2022: 7 October 2022) Fully franked based on tax paid at 30% (2022: 30%)	17,883,102	14,306,481
Interim dividend for the year ended 30 June 2024 of 37.0 cents (2023: 36.0 cents) per fully paid share paid on 4 April 2024 (2023: 6 April 2023) Fully franked based on tax paid at 30% (2023: 30%)	14,703,883	14,306,481
Total dividends provided for or paid	32,586,985	28,612,962

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

	2024 \$	2023 \$
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 40.0 cents per fully paid ordinary share (2023: 45.0 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 4 October 2024 out of retained earnings at 30 June 2024, but not recognised as a liability at year end, is	15,896,090	17,883,102

(c) Franked Dividends

	2024 \$	2023 \$
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%)	14,974,007	11,260,421

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

- (a) franking credits that will arise from the payment of the amount of the provision for income tax,
- (b) franking debits that will arise from the payment of dividend recognised as a liability at the reporting date, and
- (c) franking credits that will arise from the receipt of dividend recognised as receivables at the reporting date.

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

The impact on the franking account of the dividend recommended by the Directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of \$6,812,610 (2023: \$7,664,186).

28. Remuneration of Auditors

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

Notes to the Financial Statements

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(a) RSM Australia Partners

	2024 \$	2023 \$
Audit and other assurance services		
Audit and review of financial reports	269,470	240,775
Total remuneration	269,470	240,775

(b) Non-RSM Australia

	2024 \$	2023 \$
Audit and other assurance services		
Audit and review of financial reports	122,815	121,442
Taxation services		
Tax compliance services (including income tax returns)	132,128	179,872
Other services		
Other services	59,998	45,972
Total remuneration of non-RSM Australia audit firms	314,940	347,286
Total remuneration	584,410	588,061

29. Contingencies

The consolidated entity had contingent liabilities at 30 June 2024 and 30 June 2023 in respect of:

(a) Contingent Liabilities

(i) Guarantees

Guarantees are given in respect of rental bonds for \$2,688,829 (2023: \$2,688,829).

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

Insurance bonds of \$27,549,100 are provided in respect of performance and defects warranty as at 30 June 2024 (2023: \$15,988,599).

No material losses are anticipated in respect of any of the above contingent liabilities (2023: Nil).

30. Commitments

(a) Capital Commitments

There was no capital expenditure contracted for at the reporting date which has not been recognised as a liability (2023: Nil).

Notes to the Financial Statements

30 June 2024

31. Related Party Transactions

(a) Parent Entity

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

(b) Subsidiaries

Interests in subsidiaries are set out in note 32.

(c) Key Management Personnel

	2024 \$	2023 \$
Short-term employee benefits	3,280,897	3,082,961
Post-employment benefits	144,204	134,388
Share-based payments	308,912	730,626
	3,734,013	3,947,975

Detailed remuneration disclosures are provided in the Remuneration Report on pages 19 to 24.

(d) Transactions with Other Related Parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
Sales of goods and services Sales to associates and joint ventures	2,393,362	2,532,015
Purchases of goods and services Purchases from associates	24,515,567	15,206,567

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

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

	2024 \$	2023 \$
Current receivables Associates and joint ventures	330,498	795,093
Current payables Associates	8,059,412	3,885,840

(f) Loans to/from Related Parties

Movements:	2024 \$	2023 \$
Loans to Joint ventures		
Balance 1 July	56,433	20,000
Loans advanced	-	56,433
Repayments made	(56,433)	(20,000)
Balance 30 June	-	56,433

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

Notes to the Financial Statements

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(g) Terms and Conditions

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

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

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

Outstanding balances are unsecured and are repayable in cash.

32. Subsidiaries

(a) Material Subsidiaries

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

Name of Entity	Country of incorporation / principal activity	Class of shares	Equity holding	
			2024 %	2023 %
Lycopodium Minerals Pty Ltd	Australia ⁽¹⁾	Ordinary	100	100
Lycopodium Process Industries Pty Ltd	Australia ⁽¹⁾	Ordinary	100	100
Orway Mineral Consultants (WA) Pty Ltd	Australia ⁽¹⁾	Ordinary	100	100
Lycopodium Ghana Ltd	Ghana ⁽²⁾	Ordinary	100	100
Lycopodium Burkina Faso SARL	Burkina Faso ⁽²⁾	Ordinary	100	100
Lycopodium Cote D'Ivoire SARL	Cote D'Ivoire ⁽²⁾	Ordinary	100	100
Lycopodium Infrastructure Pty Ltd	Australia ⁽¹⁾	Ordinary	100	100
Lycopodium Minerals Canada Ltd	Canada ⁽¹⁾	Ordinary	100	100
Lycopodium Philippines Pty Ltd	Australia ⁽¹⁾	Ordinary	100	100
Orway Mineral Consultants (Canada) Ltd	Canada ⁽¹⁾	Ordinary	100	100
ADP Holdings (Pty) Limited	South Africa ⁽¹⁾	Ordinary	100	100
Lycopodium Asset Management Pty Ltd	Australia	Ordinary	100	100
Lycopodium Minerals QLD Pty Ltd	Australia	Ordinary	100	100
Lycopodium Rail Pty Ltd	Australia	Ordinary	100	100
Lycopodium Management Consulting Pty Ltd	Australia	Ordinary	100	100
Lycopodium Share Plan Pty Ltd	Australia	Ordinary	100	100
Lycopodium Americas Pty Ltd	Australia	Ordinary	100	100
Lycopodium (Ghana) Pty Ltd	Australia	Ordinary	100	100
Orway Mineral Consultants Americas Pty Ltd	Australia	Ordinary	100	100

(1) Engineering, procurement, construction management services

(2) Offshore project support services

33. Events Occurring After the Reporting Period

The total amount of the dividend is \$15,896,090 (2023: \$17,883,102), which represents a fully franked dividend of 40.0 (2023: 45.0) cents per fully paid ordinary share.

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

- the consolidated entity's operations in future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity's state of affairs in future financial years.

Notes to the Financial Statements

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34. Reconciliation of Profit After Income Tax to Net Cash Inflow From Operating Activities

	2024 \$	2023 \$
Profit for the year	50,932,546	45,558,581
Depreciation and amortisation	6,571,008	6,366,509
Non-cash employee benefits expense - share-based payments	741,239	461,607
Net loss on sale of non-current assets	-	749
Share of net profit of associate and joint venture accounted for using the equity method	(2,512,602)	(2,063,093)
Interest relating to financing activities	-	75,555
Net fair value loss/(gains) from financial instruments	287,455	(1,586,777)
Other non-cash items (includes warranty expenses for the period)	(7,454,197)	3,954,639
Change in operating assets and liabilities:		
Increase in trade debtors and other receivables	(20,347,269)	(19,953,219)
(Increase)/decrease in inventories	(44,227)	71,998
Increase in deferred tax assets	(2,394,863)	-
Decrease in other operating assets	2,143,102	195,873
Increase in trade creditors	17,570,014	3,136,808
Decrease in contract liabilities	(14,612,463)	(18,302,595)
Decrease in tax liabilities	(7,565,157)	-
Increase in other provisions	2,232,066	855,339
Net cash (outflow)/inflow from operating activities	25,546,652	18,771,974

(a) Non-cash investing and financing activities

	2024 \$	2023 \$
Additions to the right-of-use assets – note 13	1,122,324	3,458,302
Leasehold improvements - lease make good – note 12	79,872	1,537,424
Shares issued under employee share plan – note 24	(408,936)	(593,087)

(b) Changes in liabilities arising from financing activities

Consolidated	Borrowings \$	Lease Liability \$	Total \$
Balance as at 1 July 2023	680,136	15,021,333	15,701,469
Net Cash used in Financing Activities	(390,512)	(3,148,447)	(3,538,959)
Acquisition of leases	-	1,122,324	1,122,324
Finance costs for the period	-	(682,652)	(682,652)
Exchange differences	-	13,817	13,817
Balance as on 30 June 2024	289,624	12,326,375	12,615,999

35. Earnings Per Share

(a) Basic Earnings Per Share

	2024 Cents	2023 Cents
Basic earnings per share attributable to the ordinary equity holders of the consolidated entity	127.61	117.72

Notes to the Financial Statements

30 June 2024

(b) Diluted Earnings Per Share

	2024 Cents	2023 Cents
Diluted earnings per share attributable to the ordinary equity holders of the consolidated entity	127.61	117.72

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

	2024 \$	2023 \$
For Basic Earnings Per Share		
Profit attributable to the ordinary equity holders of the consolidated entity used in calculating basic earnings per share	50,714,197	46,780,431
For Diluted Earnings Per Share		
Profit attributable to the ordinary equity holders of the consolidated entity used in calculating diluted earnings per share	50,714,197	46,780,431

(d) Weighted Average Number of Shares Used as Denominator

	2024 Shares	2023 Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	39,740,226	39,740,226
Adjustments for calculation of diluted earnings per share:		
Performance rights	-	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	39,740,226	39,740,226

36. Share-Based Payments

(a) Incentive Performance Rights Plan

Performance rights were granted to certain employees and Executive Directors during the year under the Lycopodium Group Performance Rights Plan as approved at the Annual General Meeting on 15 November 2022. The rights were designed to give incentive to the employees and Executive Directors to provide dedicated and ongoing commitment and effort to the consolidated entity and aligning the interest of both employees and shareholders.

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

Grant date 2024	Expiry date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year
			Number	Number	Number	Number	Number
11 December 2020	10 December 2025	\$0.00	86,639	-	(86,639)	-	-
19 November 2021	18 November 2026	\$0.00	127,139	-	-	-	127,139
16 November 2022	15 November 2027	\$0.00	194,355	-	-	-	194,355
14 November 2023	13 November 2028	\$0.00	-	147,822	-	-	147,822
			408,133	147,822	(86,639)	-	469,316

Notes to the Financial Statements

30 June 2024

Grant date 2023	Expiry date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year
			Number	Number	Number	Number	Number
28 November 2019	26 November 2024	\$0.00	151,209	-	(151,209)	-	-
11 December 2020	10 December 2025	\$0.00	86,639	-	-	-	86,639
19 November 2021	18 November 2026	\$0.00	127,139	-	-	-	127,139
16 November 2022	15 November 2027	\$0.00	-	194,355	-	-	194,355
			364,987	194,355	(151,209)	-	408,133

Rights exercised during the financial year 86,639 (2023: 151,209).

The weighted average remaining contractual life of rights outstanding at the end of the financial year was 3.4 years (2023: 3.7).

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

Grant date	Expiry date	Share price at grant date	Exercise Price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
14 November 2023	13 November 2028	\$10.46	\$0.00	35%	8.69%	4.24%	\$6.77

(b) Loan funded shares

During FY 2024, no limited recourse loan funded shares were issued (2023: 200,000 shares). The transaction of limited recourse loan was accounted as share based payments in accordance with AASB 2. The term of the grant was considered as 5 years. Under the terms of the arrangement, dividends are assumed to be automatically applied towards repayment of the loan, effectively reducing the exercise price. Therefore, to reflect the impact on the assessed value of the loan funded shares, no dividend yield has been included in the valuation model.

The share-based payments expense recognised on account of this grant is \$ Nil (2023: \$450,800).

(c) Expenses Arising from Share-Based Payment Transactions

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

	2024 \$	2023 \$
Rights issued under the Incentive Performance Rights Plan	741,239	574,275
Share-based expense relating to loan funded shares	-	450,800
	741,239	1,025,075

Notes to the Financial Statements

30 June 2024

37. Parent Entity Information

(a) Summary Financial Information

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

	2024 \$	2023 \$
Statement of Financial Position		
Current assets	12,171,073	27,751,721
Non-current assets	47,278,458	49,954,043
Total assets	59,449,531	77,705,764
Current liabilities	13,815,650	6,510,431
Non-current liabilities	-	8,831,243
Total liabilities	13,815,650	15,341,674
Net assets	45,633,881	62,364,090
Retained earnings	26,888,026	42,018,016
Contributed equity	15,887,091	18,551,358
Share-based payment reserve	2,858,764	1,794,716
Shareholders' equity	45,633,881	62,364,090
Profit after income tax	17,456,995	27,143,356
Total comprehensive income	17,456,995	27,143,356

(b) Guarantees Entered into by the Parent Entity

In 2018, the parent entity entered an arrangement with an insurer for a standby insurance bond facility of \$80.0m. In return, the parent entity and Lycopodium Minerals Pty Ltd jointly executed a cross guarantee and indemnity as security for the facility.

(c) Contingent Liabilities of the Parent Entity

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

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

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2024 or 30 June 2023.

(e) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Consolidated Entity Disclosure Statement

Name of entity	Type of entity	Trustee, partner or participant in JV	Percentage of share capital held	Country of incorporation	Australian resident or foreign tax resident	Countries of residence for tax purposes
Lycopodium Minerals Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Foundation Pty Ltd	Body Corporate		100	Australia	Australia	Australia
Lycopodium Minerals QLD Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Americas Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Process Industries Pty Ltd	Body corporate		100	Australia	Australia	Australia
Orway Mineral Consultants (WA) Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Infrastructure Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Rail Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Asset Management Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Share Plan Pty Ltd	Body corporate	Trustee	100	Australia	Australia	Australia
Lycopodium Employee Share Trust	Trust		n/a	Australia	Australia	Australia
Lycopodium Management Consulting Pty Ltd	Body corporate		100	Australia	Australia	Australia
ADP Holdings (Pty) Limited	Body corporate		100	South Africa	Foreign	South Africa
Lycopodium Cote D'Ivoire SARL	Body corporate		100	Cote D'Ivoire ⁽²⁾	Foreign	Cote D'Ivoire
Lycopodium Energy Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Minerals Peru S.A.C.	Body corporate		100	Peru	Foreign	Peru
Lycopodium SL Ltd	Body corporate		100	Sierra Leone	Foreign	Sierra Leone
POD Equipment Company Pty Ltd	Body corporate		100	Australia	Australia	Australia
LMP (Pvt) Ltd	Body corporate		100	Pakistan	Foreign	Pakistan
Lycopodium Senegal SUARL	Body corporate		100	Senegal	Foreign	Senegal
Lycopodium Projects DMCC	Body corporate		100	UAE	Foreign	UAE
Lycopodium OMN SPC	Body corporate		100	Oman	Foreign	Oman
Lycopodium Tanzania Ltd	Body corporate		100	Tanzania	Foreign	Tanzania
Lycopodium Burkina Faso SARL	Body corporate		100	Burkina Faso	Foreign	Burkina Faso
Lycopodium (Philippines) Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium (Ghana) Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Madagascar SARL	Body corporate		100	Madagascar	Foreign	Madagascar
Lycopodium Minerals Canada Ltd	Body corporate		100	Canada	Foreign	Canada
Lycopodium Minerals USA Inc	Body Corporate		100	USA	Foreign	USA
Orway Mineral Consultants Canada Ltd	Body corporate		100	Canada	Foreign	Canada
ADP Marine & Modular (Pty) Ltd	Body corporate		100	South Africa	Foreign	South Africa
SUPL Pty Ltd	Body corporate		100	Australia	Australia	Australia
Process Design and Fabrication Pty Ltd	Body corporate		100	Australia	Australia	Australia
Lycopodium Minerals Africa (Pty) Ltd	Body corporate		100	South Africa	Foreign	South Africa
ADP Namibia (Pty) Ltd	Body corporate		69	Namibia	Foreign	Namibia
ADP Africa (Pty) Ltd	Body corporate		100	South Africa	Foreign	South Africa
ADP Lesotho (Pty) Ltd	Body corporate		100	Lesotho	Foreign	Lesotho
ADP Kukama (Pty) Ltd	Body corporate		49.3	Botswana	Foreign	Botswana
Underwater Mining Solutions (Pty) Ltd	Body corporate		50	South Africa	Foreign	South Africa
LADP Mocambique Limitada	Body corporate		100	Mozambique	Foreign	Mozambique
ADP Namibia Namibianisation Trust	Trust		n/a	Namibia	Foreign	Namibia
The Kholo Employee Empowerment Trust	Trust		n/a	South Africa	Foreign	South Africa
Lycopodium (Ghana) Ltd	Body corporate		100	Ghana	Foreign	Ghana
Lycopodium Infrastructure Ghana Ltd	Body corporate		100	Ghana	Foreign	Ghana



Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 31 to 79 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the information disclosed in the attached consolidated entity disclosure statement on page 80 is true and correct; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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

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

On behalf of the Directors



Peter De Leo
Managing Director
Lycopodium Limited

Perth
20 August 2024



Independent Auditor's Report

Independent Auditor's Report

RSM

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

Opinion

We have audited the financial report of Lycopodium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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, the consolidated entity disclosure statement and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

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Independent Auditor's Report



Key Audit Matter	How our audit addressed this matter
<p>Revenue Refer to Note 5 in the financial statements</p> <p>The Group has recognised a total of \$344,549,212 revenue from contracts with customers. As disclosed in note 1 (d), these revenues are recognised over time as performance obligations are fulfilled.</p> <p>Construction contracts, engineering and related services revenue are recognised by the Group after assessing all factors relevant to each contract, including specifically the following as applicable:</p> <ul style="list-style-type: none"> • Determination of the stage of completion and measurement of progress towards performance obligations; • Estimation of total contract revenue and costs including the estimation of cost contingencies; • Determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims; and • Estimation of project completion date. <p>This area is a key audit matter due to the number and type of estimation events over the course of the contract life, the unique nature of individual contract conditions, leading to complex and judgmental revenue recognition from contracts.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the revenue recognition policies applied by the Group against the criteria in the accounting standards; • Assessing contractual terms with customers and testing project revenues and costs incurred against underlying supporting documents; • Assessing management's assumptions in determining the stage of completion, total transaction price and total budgeted cost estimate; • Testing the mathematical accuracy of revenue and profit recognised during the year based on the stage of completion; • Reading customers' and subcontractors' correspondence and discussing the progress of projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that would impact the estimated contract costs; • Discussing with project personnel and management the rationale for revisions made to budgeted costs and checked supporting documentation; and • Assessing disclosures in the financial report against the results of our testing and the requirements of the accounting standards.
<p>Impairment of goodwill Refer to Note 14 in the financial statements</p> <p>The carrying amount of goodwill at 30 June 2024 was \$6,207,274.</p> <p>Management performs an annual impairment test on the recoverability of goodwill as required by Australian Accounting Standards.</p> <p>We determined this area to be a key audit matter as management's assessment of the value in use of the cash generating unit (CGU) involves judgement about the future cash flow projections, expected revenue growth rates and the discount rate.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Considering the appropriateness of the value in use model applied by the Group against the criteria in the accounting standards; • Assessing management's determination of how goodwill is allocated to each CGU; • Challenging the reasonableness of key assumptions, including future cash flow projections, expected revenue growth rates and the discount rate; • Assessing management's sensitivity analysis over the key assumptions used in the model; • Testing the mathematical accuracy of the model and reconciliation of input data to supporting evidence such as approved budgets and considering the reasonableness of the budget; and • Assessing disclosures in the financial report against the results of our testing and the requirements of the accounting standards.

Independent Auditor's Report



Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Independent Auditor's Report



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Lycopodium Limited, for the year ended 30 June 2024, 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.

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JAMES KOMNINOS
Partner

Perth, WA
Dated: 20 August 2024



Shareholder Information

B. Equity Security Holders

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

Holding	Ordinary Shares	
	Number Held	Percentage of Units
1 REESH PTY LTD <THE M J CARATTI FAMILY A/C>	9,046,221	22.76
2 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,497,134	8.80
3 UBS NOMINEES PTY LTD	2,761,609	6.95
4 CITICORP NOMINEES PTY LIMITED	2,447,287	6.16
5 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,583,482	3.98
6 CADDY FOX PTY LTD <THE LEONARD FAMILY A/C>	902,930	2.27
7 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	839,999	2.11
8 CHIMAERA CAPITAL LIMITED	741,751	1.87
9 GOTTERDAMERUNG PTY LIMITED <GOTTERDAMERUNG FAMILY A/C>	490,561	1.23
10 MR PETER DE LEO + MRS TIANA DE LEO <DE LEO SUPER FUND A/C>	427,314	1.08
11 CPU SHARE PLANS PTY LTD <LYL EST UNALLOCATED A/C>	392,364	0.99
12 MR DAVID JAMES TAYLOR	317,000	0.80
13 DE LEO NOMINEES PTY LTD <THE DE LEO FAMILY A/C>	253,557	0.64
14 JOHN O'SULLIVAN PTY LTD <J C O'SULLIVAN P/L S/F A/C>	230,000	0.58
15 BOTECH PTY LTD <BOTTECCHIA SUPER FUND A/C>	224,365	0.56
16 MR PETER ROBERT LEMON	210,000	0.53
17 DE LEO NOMINEES PTY LTD <THE DE LEO INVESTMENT A/C>	201,749	0.51
18 NANCRIS PTY LTD	175,000	0.44
19 SELSO PTY LTD <THE OSMETTI FAMILY A/C>	158,000	0.40
20 DONALD CANT PTY LTD	154,733	0.39
	25,055,056	63.05

The shareholder information set out below was applicable as at 13 August 2024.

A. Distribution of Equity Securities

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

Holding	Total Holders
1 - 1000	1,690
1,001 - 5,000	1,174
5,001 - 10,000	309
10,001 - 100,000	277
100,001 and over	31
	3,481

There were 104 holders of less than a marketable parcel of ordinary shares.

C. Substantial Holders

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

Holding	Number Held	Percentage of Units
1 REESH PTY LTD <THE M J CARATTI FAMILY A/C>	9,046,221	22.76
2 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,497,134	8.80
3 UBS NOMINEES PTY LTD	2,761,609	6.95
4 CITICORP NOMINEES PTY LIMITED	2,447,287	6.16
5 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,583,482	3.98

D. Voting Rights

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

(a) Ordinary Shares

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

Corporate Directory

Board of Directors

Rodney Lloyd Leonard
Non-Executive, Independent Chairman
Appointed as Chairman 28 November 2023

Peter De Leo
Managing Director

Bruno Ruggiero
Executive Director

Karl Anthony Cicanese
Executive Director

Michael John Caratti
Non-Executive Director
Resigned as Chairman 28 November 2023

Steven John Micheil Chadwick
Non-Executive, Independent Director

Louise Bower
Non-Executive, Independent Director

Audit Committee

Louise Bower
Peter De Leo
Rodney Leonard

Remuneration Committee

Steven Chadwick
Michael Caratti
Louise Bower

Risk Committee

Rodney Leonard
Peter De Leo
Bruno Ruggiero

Company Secretary

Justine Campbell

Notice of Annual General Meeting

The details of the Annual General Meeting of Lycopodium Limited are:

Fraser Suites Perth
10 Adelaide Terrace
East Perth, Western Australia 6004
10.30am on Tuesday 12 November 2024

Registered and Principal Office

Level 5, 1 Adelaide Terrace
East Perth, Western Australia 6004
+61 8 6210 5222

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth, Western Australia 6000
+61 8 9323 2000

Lawyers to the Company

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth, Western Australia 6000
+61 8 9321 4000

Auditors

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

Principal Banker

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

Stock Exchange Listing

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


Website

www.lycopodium.com

Corporate Governance Statement

www.lycopodium.com/investor-relations/corporate-governance/





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