

APPENDIX 4E

PRELIMINARY FINAL REPORT
Under ASX Listing Rule 4.3A

Acrow Formwork and Construction Services Limited

ABN 36 124 893 465

Details of Reporting Period

Reporting Period 12 months ended 30 June 2019
Previous Reporting Period 12 months ended 30 June 2018

Results for announcement to the market

	2019 <i>dollars</i>	2018 <i>dollars</i>	% change
Revenue from ordinary activities	70,129,236	15,556,001	Up 350.8%
Net profit after tax from ordinary activities attributable to members	4,948,715	10,510,658	Down 52.9%
Significant item – Gain on bargain purchase of Acrow Holdings		(10,825,098)	Down 100.0%
Share based payments and significant costs	2,558,492	968,185	Up 164.3%
Net profit after tax from ordinary activities excluding significant costs	7,507,206	653,744	nm
	<i>Cents</i>	<i>Cents</i>	
Basic earnings per share (cents)	2.88	19.28	
Diluted earnings per share (cents)	2.69	19.28	
Basic earnings per share (cents) excluding significant costs	4.36	1.20	
Diluted earnings per share (cents) excluding significant costs	4.08	1.20	
Net tangible asset per share (cents)	24.00	23.96	

Dividend distributions	Amount per security (Cents)
Final dividend per share (cents) – unfranked	1.0
Record date for determining entitlements to the dividend	Thursday, 24 October 2019
Dividend payment date	Friday, 15 November 2019
Dividend Reinvestment Plan is in place, last date for election to participate	Friday, 25 October 2019
The Company paid an interim for the half year ended 31 December 2018 unfranked on the 12 April 2019	1.0

Dividend

The Company has declared an unfranked dividend of 1.0 cent per share for the period ending 30 June 2019. The Dividend will be paid on Friday 15 November 2019 to holders on the Company's fully paid ordinary share register on Thursday, 24 October 2019 (Record Date).

Dividend Reinvestment Plan

The Company has a Dividend Reinvestment Plan (DRP) that will be available to holders of fully paid ordinary shares (shares). The DRP allows shareholders to reinvest part or all of their dividends into new Acrow Formwork and Construction Limited shares. The issue price of the shares will be at a 2.5% discount to the Market Value which is calculated as the arithmetic average of the daily volume weighted average sale price for a Share (rounded to four decimal places) sold through a Normal Trade on ASX on the ten trading days commencing on the second trading day following the Record Date. The last date for receipt of an election notice for participation in the DRP is Friday, 25 October 2019.

Control gained over entities

On 31 August 2018 Acrow Formwork and Construction Services Limited acquired all the shares of Natform Pty Ltd Natform (QLD) Pty Ltd, a provider of screen-based formwork system which supports the construction of commercial and residential high-rise buildings and civil infrastructure in the NSW, ACT and Queensland markets. The acquisition was financed through the issue of 10,000,000 shares in Acrow Formwork and Construction Services Limited, \$7,000,000 of debt and existing cash reserves. Two additional instalments of \$2,250,000 are payable in September 2019 and 2020 and a further \$2,000,000 is payable if certain performance targets are met.

Commentary

The Acrow business continued to perform strongly for the 12 months to 30 June 2019, with the inclusion of 10 months of the acquired Natform business.

The business continued to re-base from the highly fragmented and price sensitive residential scaffold market towards value added, highly engineered civil formwork solutions market.

On an underlying basis, the key highlights for the year included:

- Sales revenue of \$71m, up 9% on the prior year reflecting solid growth in the Formwork business¹ and the contribution from the Natform acquisition,
- Underlying EBITDA of \$11.6m, was up 9% and margin was flat
- Underlying net profit after tax of \$7.5m
- Significant items of \$2.6m primarily comprising share-based payments (\$1.4m), non-recurring acquisition related costs and finance restructuring costs
- Underlying earnings per share was 4.4cps.
- A final dividend of 1.0cps (unfranked) was declared, up from a maiden final dividend of 0.5cps in FY18
- Balance sheet remains strong with net gearing at 8%
- Operating cash profit of \$8.8m was flat on the prior year.

The business maintains a strong balance sheet including a net debt position of \$3.6m with significant headroom on its facility with Westpac.

¹ Formwork business unit comprises Formwork hire and Formwork Sales and Consumables segments.

**Acrow Formwork and Construction Services
Limited
ACN 124 893 465**

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30 June 2019

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2019

<i>In dollars</i>	Note	2019	2018
Revenue	3	70,129,236	15,556,061
Other income	4	881,092	11,086,185
Personnel expenses		(22,589,627)	(6,398,775)
Sub-contract labour costs		(18,005,200)	(3,575,132)
Inventory purchased, net of changes in finished goods		(10,390,596)	(2,291,490)
Property costs		(4,203,517)	(803,861)
Depreciation		(3,261,936)	(445,754)
Other expenses	5	(6,587,715)	(2,402,890)
Results from operating activities		5,971,738	10,724,344
Finance income		11,261	34,076
Finance cost		(975,131)	(247,762)
Net finance income/(expense)		(963,870)	(213,686)
Profit/(loss) before income tax		5,007,868	10,510,658
Income tax expense	6	(59,153)	-
Profit/(loss) for the year		4,948,715	10,510,658
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences		(256)	(39)
Total comprehensive income for the year		4,948,458	10,510,619
Earnings per share	9	Cents	Cents
Basic earnings / (loss) per share (cents)		2.88	19.28
Diluted earnings / (loss) per share (cents)		2.69	19.28

The above statement should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at 30 June 2019

<i>In dollars</i>	Note	2019	2018
Assets			
Cash and cash equivalents		3,289,617	4,917,837
Other financial assets		-	491,827
Receivables		13,498,306	10,548,983
Inventories		3,413,361	2,111,446
Prepayments and other assets		708,663	125,106
Assets held for sale		71,296	67,650
Total current assets		20,981,243	18,262,849
Property, plant & equipment		46,992,624	31,710,998
Intangibles		7,301,902	-
Other financial assets		-	311,583
Total non-current assets		54,294,526	32,022,581
Total assets		75,275,769	50,285,430
Liabilities			
Trade payables		10,098,831	7,298,117
Other payables		2,308,652	-
Employee benefits		2,962,801	3,095,040
Borrowings		2,103,192	-
Current tax liabilities		556,301	-
Liabilities held for sale		65,878	62,508
Total current liabilities		18,095,654	10,455,665
Other payables		2,128,080	-
Employee benefits		456,609	331,597
Borrowings		4,835,900	-
Provisions		452,474	452,474
Deferred tax liabilities		1,683,999	-
Total non-current liabilities		9,557,063	784,071
Total liabilities		27,652,717	11,239,736
Net assets		47,623,052	39,045,694
Share capital	8	34,814,339	29,377,927
Reserves		2,062,063	679,297
Retained earnings / (accumulated losses)		10,746,650	8,988,470
Total equity		47,623,052	39,045,694

The above statement should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2019

	Share capital	Share based payments reserve	Foreign currency translation reserve	Retained earnings / (accumulated losses)	Total equity
<i>In dollars</i>					
Balance at 1 July 2017	1,865,819	66,502	56,325	(1,522,188)	466,458
Total comprehensive income for the period					
Profit/(loss) for the period	-	-	-	10,510,658	10,510,658
Other comprehensive income	-	-	(39)	-	(39)
Total comprehensive income	-	-	(39)	10,510,658	10,510,619
Transactions with owners of the Company					
Shares issued net of costs	26,760,233	-	-	-	26,760,233
Equity settled share base payments	-	558,384	-	-	558,384
Options exercised	751,875	(1,875)	-	-	750,000
Balance at 30 June 2018	29,377,927	623,011	56,286	8,988,470	39,045,694
Balance at 30 June 2018 as previously reported	29,377,927	623,011	56,286	8,988,470	39,045,694
Adjustment from adoption of AASB 9 net of tax	-	-	-	(584,486)	(584,486)
Restated balance at 1 July 2018	29,377,927	623,011	56,286	8,403,984	38,461,209
Total comprehensive income for the period					
Profit/(Loss) for the period	-	-	-	4,948,715	4,948,715
Other comprehensive income	-	-	(256)	-	(256)
Total comprehensive income	-	-	(256)	4,948,715	4,948,458
Transactions with owners of the Company					
Shares issued, net of costs	5,249,028	-	-	-	5,249,028
Dividends paid to shareholders	-	-	-	(2,606,047)	(2,606,047)
Equity settled share base payments	-	1,420,406	-	-	1,420,406
Options exercised	187,384	(37,384)	-	-	150,000
Balance at 30 June 2019	34,814,339	2,006,033	56,030	10,746,652	47,623,054

The above statement should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flow

For the year ended 30 June 2019

In dollars

	Note	2019	2018
Cash flows from operating activities			
Receipts from customers		66,519,403	17,341,219
Payments to suppliers and employees		(57,078,524)	(12,402,054)
Cash generated from operations		9,440,879	4,939,165
Significant costs		(896,610)	(968,185)
Finance income		11,261	34,076
Net cash from operating activities		8,555,531	4,005,056
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2,151,417	338,154
Purchase of property, plant and equipment		(9,784,502)	(1,086,382)
Consideration paid for controlled entities net of cash acquired		(6,729,486)	(9,576)
Net cash used in investing activities		(14,362,571)	(757,804)
Cash flows from financing activities			
Proceeds from issue of shares		-	27,400,000
Capital raising costs		-	(1,902,991)
Proceeds from exercise of options		150,000	750,000
Proceeds from borrowings		8,091,239	800,000
Repayment of borrowings		(1,152,147)	(25,607,095)
Dividends paid		(2,107,019)	-
Finance costs paid		(803,254)	(247,762)
Net cash from financing activities		4,178,819	1,192,512
Net increase/(decrease) in cash and cash equivalents		(1,628,222)	4,439,764
Effect of exchange rate fluctuations on cash held		2	(2,647)
Cash and cash equivalents at 1 July		4,917,837	480,720
Cash and cash equivalents at 30 June		3,289,617	4,917,837

The above statement should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

1. Reporting Entity

Acrow Formwork and Construction Services Limited (Acrow or the Company) is a limited company whose shares are quoted on the Australian Securities Exchange under the issuer code "ACF". The consolidated financial statements of Acrow for the year ended 30 June 2019 comprise of the Company and its controlled entities (the Group). The Group is a for-profit entity and is primarily involved in the hire and sale of formwork and construction related services. Acrow's Consolidated Annual Financial Report for previous reporting periods are available upon request from the Company's registered office at Level 5, 126 Phillip Street, SYDNEY, NSW, AUSTRALIA, 2000 or at www.acrow.com.au.

2. Basis of Preparation

(a) Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 for the purpose of fulfilling the Group's obligation under the Australian Securities Exchange (ASX). They were authorised for issue by the Board of Directors on 29 August 2019.

Following the acquisition of Natform Pty Limited and Natform (QLD) Pty Limited on 31 August 2018, the preliminary financial statements include those subsidiaries results from 1 September 2018 to 30 June 2019.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for derivatives that are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Group's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in:

- note 7 – utilisation of tax losses

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Notes to the Financial Statements (continued)

	2019	2018
3. Revenue		
<i>In dollars</i>		
Revenue from hire of equipment, provision of labour and contracting services	54,945,620	12,513,163
Sale of goods	15,183,616	3,042,898
	<u>70,129,236</u>	<u>15,556,061</u>
4. Other Income		
<i>In dollars</i>		
Net gain on disposal of property, plant and equipment	881,092	261,087
Significant item - gain on bargain purchase	-	10,825,098
	<u>881,092</u>	<u>11,086,185</u>
5. Other Expenses		
<i>In dollars</i>		
Significant items	(896,610)	(968,185)
Freight costs	(810,466)	(307,812)
Motor vehicle expenses	(825,575)	(225,025)
IT and telecommunication expenses	(876,211)	(245,924)
Insurance expenses	(593,153)	(160,688)
Plant & equipment operation expenses	(647,904)	(130,641)
Consumables	(318,622)	(66,592)
Travelling expenses	(425,853)	(77,636)
Others	(1,193,322)	(220,388)
	<u>(6,587,715)</u>	<u>(2,402,891)</u>
6. Income Tax (Expense)/Benefit		
<i>In dollars</i>		
Profit/(loss) before income tax	5,007,868	10,510,658
Income tax (expense)/benefit using the Company's domestic tax rate (30%)	(1,502,360)	(3,153,197)
(Increase)/decrease in income tax expense due to:		
Non-deductible/(taxable) amounts	(456,930)	3,247,530
(Increase)/decrease in income tax expense due to:		
Origination and reversal of temporary differences	1,775,998	(170,995)
Tax losses not brought to account	(174,591)	-
Recognition of tax losses not previously brought to account	298,730	76,662
Income tax (expense)/benefit	<u>(59,153)</u>	<u>-</u>

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Notes to the Financial Statements (continued)

7. Unrecognised Deferred Tax Assets and Liabilities

2019

2018

In dollars

Deferred tax assets have not been recognised in respect of the following items:

Revenue tax losses	13,654,771	13,083,920
Capital losses	202,441	202,441
Temporary differences	(2,911,668)	(1,088,873)
	<u>10,945,544</u>	<u>12,197,488</u>

While tax losses and temporary differences do not expire under current tax legislation, deferred tax assets have not been recognised in respect of these items as the Group has experienced a number of years without taxable income and therefore recovery is not considered probable.

The potential benefit of the deferred tax asset in respect of tax losses carried forwards will only be obtained if:

- (i) The Group continues to derive future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) The Group continues to comply with the conditions for deductibility imposed by the law;
- (iii) No changes in tax legislation adversely affect the Group in realising the asset; and
- (iv) The Group passes the continuity of ownership test, or the same business test as outlined by the Australia Taxation Office.

8. Share Capital

2019

2018

Number of shares

On issue of 1 July	162,982,615	313,328,147
Issue of shares (i)	11,273,839	25,000,000
	<u>174,256,454</u>	<u>338,328,147</u>
Share consolidation (ii)	-	(321,411,654)
	<u>174,256,454</u>	<u>16,916,493</u>
Issue of shares for cash (iii)	-	136,000,000
	<u>174,256,454</u>	<u>152,916,493</u>
Issue of shares in exchange for debt (iv)	-	6,316,122
Exercise of share options (v)	750,001	3,750,000
	<u>175,006,455</u>	<u>162,982,615</u>

- (i) 10,000,000 shares under 12 month escrow were issued on 31 August 2018 to as part of the consideration for the acquisition of the Natform companies at \$0.475 fair value per share; 380,348 shares were issued at \$0.51 per share following dividend declaration on 28 August 2018 pursuant to the Dividend Reinvestment Plan (DRP); 893,491 shares were issued at \$0.34 per share following FY2019 interim dividend declaration on 12 April 2019 also pursuant to the Dividend Reinvestment Plan (DRP);
- (ii) Consolidation of shares on 22 March 2018 at a conversion rate of 20:1;
- (iii) 136,000,000 shares were issued on 27 March 2018 at \$0.20 per share;
- (iv) 6,316,000 shares were issued at \$0.20 per share to extinguish existing debt; and
- (v) All ACPOP2 options, being 750,001 units (post share consolidation) were exercised at \$0.20 per share.

The holders of these shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

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Notes to the Financial Statements (continued)

Dividends

A final unfranked dividend of \$864,917 for the year ended 30 June 2018 was paid on 22 October 2018 at 0.5 cent per share, with 380,348 new shares issued as part of the DRP.

An interim unfrank dividend of \$1,741,130 for FY 2019 was paid on 12 April 2019 at 1.0 cent per share, with 893,491 new shares issued also as part of the DRP.

Subsequent to balance date the Directors declared an unfranked dividend of 1.0 cent per share on 29 August 2019.

9. Earnings Per Share

Basic Earning per Share (EPS) is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

<i>In dollars</i>	2019	2018
Earnings reconciliation		
Profit excluding significant items	7,507,206	653,745
Net share-based payments and significant items*	(2,558,492)	9,856,913
Net profit	<u>4,948,715</u>	<u>10,510,658</u>

* includes share-based payments of \$1.4m, finance restructuring costs and significant items per note 5.

	Number of shares	
Number of ordinary shares		
Weighted average number of ordinary shares used in the calculation of basic EPS	172,002,461	54,503,462
Weighted average number of ordinary shares used in the calculation of dilutive EPS	183,997,435	54,503,462
Basic EPS excluding significant items (cents per share)	4.36	1.20
Diluted EPS excluding significant items (cents per share)	4.08	1.20
Basic earnings / (loss) per share (cents)	2.88	19.28
Diluted earnings / (loss) per share (cents)	2.69	19.28

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10. Acquisition of Natform Pty Ltd and Natform (QLD) Pty Ltd

On 31 August 2018 Acrow acquired 100% of the issued shares of Natform Pty Ltd and Natform (QLD) Pty Ltd (collectively Natform). Natform is a supplier of screen-based formwork systems which support the construction of commercial and residential high-rise buildings and civil infrastructure across the NSW, ACT and QLD markets.

The consideration comprised of \$7,105,341 in cash, 10,000,000 Acrow shares valued at \$0.475 each, escrowed for 12 months from 31 August 2018, two instalments of deferred consideration of \$2,250,000 due on 7 September 2019 and 7 September 2020 respectively, and contingent payments of \$1,000,000 cash or an equivalent number of shares based on a price of \$0.40 per share should Natform EBITDA reach \$4,600,000 between 1 September 2018 and 31 August 2019 and a further \$1,000,000 cash or an equivalent number of shares based on a price of \$0.60 per share should EBITDA reach \$5,000,000 between 1 September 2019 and 31 August 2020. As the contingent consideration EBITDA target was not considered probable, no amounts have been included in the consideration.

The following table represents the amounts recognised for assets acquired and liabilities assumed at the date of acquisition.

Natform Pty Ltd and Natform (QLD) Pty Ltd

<i>In dollars</i>	\$
Assets	
Cash and cash equivalents	375,854
Receivables	1,194,304
Inventory	346,987
Property, plant and equipment	9,505,123
Other	368,841
Total assets	11,791,109
Liabilities	
Trade and other payables	257,347
Provisions	496,444
Provision for income tax	252,601
Deferred tax liabilities	2,044,875
Total liabilities	3,051,267
Net assets	8,739,842
Goodwill on acquisition	7,301,902
Purchase consideration transferred	16,041,744

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Asset Acquired	Valuation Technique
Hire equipment	Depreciated replacement cost as determined by Acrow's management following a self-assessment. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

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Notes to the Financial Statements (continued)

11. Intangibles

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at costs less any accumulated impairment losses.

Acrow annually tests goodwill with indefinite useful lives for impairment. An asset that does not generate independent cash flows and its individual value-in-use cannot be estimated is tested for impairment as part of a cash generating unit (CGU).

Where there is an impairment loss, it is recognised in the income statement when the carrying amount of an asset exceeds its recoverable amount. The asset's recoverable amount is estimated based on the higher of its value-in-use and fair value less costs to sell.

Impairment testing on Natform companies

Goodwill of \$7,301,902 is recorded at 31 August 2018 with respect to the acquisition of Natform Pty Ltd and Natform (QLD) Pty Ltd. The recoverable amount of CGU is supported on a fair value less costs to sell basis with reference to the market price paid to acquire the business. No indicators of impairment have arisen since the acquisition date.

Allocation to CGU Groups	2019	2018
Natform companies	7,301,902	-
	<u>7,301,902</u>	<u>-</u>

The recoverable amount of a CGU is determined based on a value-in-use calculation. This calculation uses discounted cash flow projections based upon management's projected EBITDA and financial budgets approved by the board of directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the cash flows for year 5 and the estimated long-term growth rates.

The discount rate used is the Group's weighted average cost of capital. The terminal growth rate reflects the management's outlook on growth.

	2019	2018
Terminal growth rate	2.5%	-
Post-tax discount rate	10.0%	-

Sensitivity

Management have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur, the carrying value of goodwill may vary. Any reasonable change in the key assumptions on which the estimates and/or the discount rate are based would not cause the carrying amount of the CGU to exceed the recoverable amount.

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Notes to the Financial Statements (continued)

12. Operating Segments

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

The Group has the following segments:

- Formwork and Construction Services: the provision of formwork, scaffolding and related materials for hire and sales
- Mineral exploration activities

Segment Information as at 30 June 2019

<i>In dollars</i>	Formwork & Construction	Mineral Exploration	Total
Segment revenue	71,010,328	-	71,010,328
Segment operating profit	7,955,888	(67,352)	7,888,356
Unallocated corporate overhead costs			(1,916,619)
Finance costs	(964,029)	160	(963,870)
Profit (loss) before income tax			5,007,868
Segment assets	75,204,349	71,420	75,275,769
Segment liabilities	27,330,621	322,097	27,652,717

Segment Information as at 30 June 2018

<i>In dollars</i>	Formwork & Construction	Mineral Exploration	Total
Segment revenue	15,556,061	-	15,556,061
Segment operating profit	2,301,505	(59,764)	2,241,741
Unallocated corporate overhead costs			(2,342,497)
Finance costs			(213,685)
Gain on bargain purchase			10,825,099
Profit (loss) before income tax			10,510,658
Segment assets	50,217,371	68,059	50,285,430
Segment liabilities	11,177,228	62,508	11,239,736

Geographical Information

The Group's Mineral Exploration segment operates in Ghana.

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Notes to the Financial Statements (continued)

13. Loans and borrowings

The Group entered into a \$15,000,000 secured loan agreement in October 2018 for a period of 4 years. The facility consists of four sub-facilities; a \$7,000,000 amortising business loan paying variable rates (balance of \$5,978,000 at 30 June 2019) with a monthly principal repayment obligation of \$146,000; a \$5,000,000 3-year revolving equipment finance facility (balance of \$961,092 at 30 June 2019); and a \$3,000,000 flexible working capital / overdraft facility which had not been drawn upon at balance date.

The loans are secured by interlocking guarantees across all Group companies. Interest on the business loan facilities is variable and charged at the prevailing market rates.

Loans and Borrowings	2019	2018
<i>In dollars</i>		
Current	2,103,192	-
Non-Current	4,835,900	-
	<hr/> 6,939,092	<hr/> -

14. Net tangible assets

	2019	2018
Net tangible assets per ordinary shares (cents)	24.00	23.96

15. Subsequent Events

On 29 August the Directors declared an unfranked dividend of 1.0 cent per share to be paid on Friday 15th November 2019. Dividend Reinvestment Plan is available for election. The dividend has not been provided for in this financial report as it was not declared until after 30 June 2019.

Subsequent to year end a trade debtor totalling \$0.9m included in the 30 June 2019 balance was satisfied through entering of a sale and leaseback arrangement with a duration of two years. At entering into this arrangement, the receivable balance was reduced by the amount of this debtor and a finance lease receivable for the same amount included as an asset.

Equipment loans of \$1,589,145 were drawn down subsequent to balance date under the existing Equipment Finance facility.

Share-based payments in the form of 1,200,000 options have been issued under the Employee Share Option Plan issued to a Key Management Personnel subsequent to reporting date.

Other than the above matters there has not otherwise arisen between the end of the year end period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the group, to affect significantly the operations of the Group, the results of those operations, or the state of the affairs of the Group, in future financial years.