BSA Limited

Half-Year Report

31 December 2021

APPENDIX 4D

FOR THE HALF-YEAR ENDED **31 DECEMBER 2021**

Current reporting period	1 July 2021 to 31 December 2021
Prior corresponding period	1 July 2020 to 31 December 2020

Half-Year information to the ASX under Listing Rule 4.2A
Results for announcement to the market

		% Change	$'000
Revenue from ordinary activities[1]	Up	2% to	217,592
Loss for ordinary activities after income tax attributable to members[1]	Down	n/m% to	(21,978)
Net loss for the period attributable to members[1]	Down	n/m% to	(21,978)

	31 December 2021 (cents)	31 December 2020 (cents)[1]
Basic earnings per share	(5.054)	0.085
Diluted earnings per share	(5.054)	0.085
Net tangible asset backing (per share)	(6.878)	(0.229)

No dividend was payable at 31 December 2021.

Additional Appendix 4D disclosure requirements and further information, including commentary on significant features of the operating performance, results of segments, trends in performance, and other factors affecting the results for the current period, are contained in the Half-Year Financial Report 2022 and Investor Information for HY2022

The Financial Statements contained within the Half-Year Financial Report 2022, upon which this report is based, have been reviewed by Deloitte Touche Tohmatsu.

[1] Comparative balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note 5 of the financial report for further details.

Construction at
Sydney Football
Stadium

CONTENTS

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by BSA Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

BSA Limited is a Company limited by shares, incorporated and domiciled in Australia.

Its registered office is:
BSA Limited
Level 7, 3 Thomas Holt Drive, Macquarie Park
Sydney NSW 2113

Its shares are listed on the Australian Securities Exchange.

DIRECTORS' REPORT

Directors' report
The Directors present their report on the consolidated entity consisting of BSA Limited ("the Group") and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors
The names of the Directors of BSA Limited during the whole of the half-year and up to the date of this report (unless otherwise stated) are as below:

Mr Michael Givoni	*Mr Christopher Halios-Lewis*
Mr Timothy Harris	*Mrs Michelle Cox (appointed on 30 July 2021)*
Mr Nicholas Yates	*Mr Brendan York (appointed on 17 November 2021)*
Mr David Prescott	*Mr Paul Teisseire (retired on 17 November 2021)*

REVIEW OF OPERATIONS

Group
The Group enters the second half of the year after addressing significant COVID-19 impacts during the first half. As outlined in the ASX market release on 28 October 2021, COVID-19 restrictions and customer sentiment stemming from the Delta and Omicron strains impacted operations as follows:

- Restrictions and full suspension on construction sites,
- Classification of essential services excluded key platforms such as smart metering and Foxtel,
- Productivity impact of the workforce due to exposure isolation requirements, residing in and/or delivering work in government designated hotspots,
- Increased site protocols across both divisions reducing productivity and attendance,
- Employees not eligible to access government assistance packages such as JobKeeper, and
- Project work in BSA | APS Maintain division being deferred due to COVID-19.

The above had a direct impact on the Group's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) pre-significant items (as described in more detail in notes 2 and 3 to the half-year report), which reported to a loss of $2,026 thousand as a direct consequence.

In addition, a key focus for the first half-year was the commercial settlement of the Class Action, which impacted scope for the Group to implement its growth strategy, both organic and inorganic. The Class Action created a significant amount of uncertainty which has now been removed. $23,023 thousand of the current period loss relates to settlement and legal costs associated with the defence and subsequent provisional settlement of the Class Action. The payment profile of the settlement sum has been structured over the next three years to be paid out of current and future operating cash flows. Further financial details are outlined in note 3 to the financial report.

The priority in the second half of the financial year is the optimising of the core business as markets recover.

BSA | CUI
The BSA | CUI business unit delivered revenue of $122,509 thousand, an increase of $17,251 thousand compared to the prior corresponding period (pcp) of $105,258 thousand predominantly as a result of increased volumes from nbn compared to 2021. The volumes primarily relate to the nbn Unify project secured in December 2020 compared to the previous nbn OMMA contract which do not attract comparable margins. EBITDA for the first half of $3,433 thousand was lower compared to the pcp of $8,906 thousand largely due to revenue mix and the impact of COVID-19, primarily in Foxtel, Telstra and Vector.

BSA | APS
The BSA | APS business unit achieved a lower first half revenue of $95,083 thousand compared with $107,899 thousand for the pcp. This decrease is due to impacts from BSA | APS | Fire Build contracts and Special Projects as major projects complete and delays in the commencement of new contracts awarded (the Southern Queensland Correctional Centre, Caboolture Hospital and Tweed Heads Hospital) to the second half of the year. EBITDA in the first half was a loss of $3,343 thousand compared with an EBITDA of $4,306 thousand for the pcp, which included JobKeeper related government grants (see note 3 to the financial report for more details).

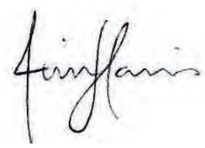
Operating Cash Flow
Operating cash outflow during the period totaled $12,255 thousand (pcp: $3,489 thousand outflow). The outflow for the period was impacted by the half-year EBITDA loss pre-significant items of $2,026 thousand as a result of the impact of COVID-19 restrictions on the Group's financial performance during the period as well as $4,046 thousand of significant items costs paid, $1,500 thousand of redundancy costs with the remainder primarily interest, tax and working capital movements.

Balance Sheet & Funding
The net debt position at 31 December 2021 was $5,087 thousand; with the debt portion comprised of working capital facilities, compared to a net cash position of $11,900 thousand in the pcp with the decline driven primarily by the operating cash outflow noted above. In addition, the Group paid a 30 June 2021 final dividend of $1,671 thousand in November 2021 and issued shares totalling $825 thousand for the dividend reinvestment plan and settlement of vested share-based payments.

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 on page 7.

Rounding of amounts
BSA Limited is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument, unless otherwise stated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001.*



Michael Givoni
Chairman

Tim Harris
Managing Director and Chief Executive Officer

28 February 2022

Disclosing non-IFRS Financial Information
The Directors consider EBITDA pre-significant items a key measure of performance for the Group, and is used by a range of stakeholders and is disclosed in the segment note in the financial report (note 2). In accordance with ASIC Regulatory Guidance on the disclosure of non-IFRS information, below is a reconciliation of profit to EBITDA pre-significant items.

	2022 $'000	2021(1) $'000
(Loss)/Profit for the period from continuing operations	(21,978)	370
Add back:		
Finance costs	1,021	954
Income tax (benefit)/expense	(9,034)	242
Depreciation and amortisation expense	4,086	5,211
Significant items(2)	23,879	2,868
EBITDA pre-significant items	**(2,026)**	**9,645**

(1) Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note 5 of the financial report for further details.

(2) Significant items relate to expenses which are not directly related to on-going operational business activities. Details of these are outlined in note 3 in the financial report.

Telstra Wideband
Construction Project,
Kilmany

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
BSA Limited
Level 7, 3 Thomas Holt Drive
Macquarie Park, NSW, 2113

28 February 2022

Dear Directors,

Auditor's Independence Declaration to BSA Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of BSA Limited.

As lead audit partner for the review of the half-year financial report of BSA Limited for the half-year ended 31 December 2021, 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 review; and

(ii) Any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

LA de Rooij
Partner
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED **31 DECEMBER 2021**

	Notes	2022 $'000	Restated[1] 2021 $'000
Revenue	2	217,592	213,157
Subcontractors and raw materials used		(178,135)	(166,850)
Employee benefits expense		(32,329)	(23,083)
Depreciation and amortisation expense		(4,086)	(5,211)
Finance costs		(1,021)	(954)
Class Action settlement and associated legal defence costs	3	(23,023)	(771)
Other expenses	3	(10,010)	(15,676)
(Loss)/Profit before income tax		**(31,012)**	**612**
Income tax benefit/(expense)		9,034	(242)
(Loss)/Profit for the period		**(21,978)**	**370**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		**(21,978)**	**370**
		cents	**cents**
Earnings per share			
Basic earnings per share		(5.054)	0.085
Diluted earnings per share		(5.054)	0.085

[1] Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note 5 for more details.

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

STATEMENT OF FINANCIAL POSITION

AS AT **31 DECEMBER 2021**

	Notes	31 December 2021 $'000	Restated[1] 30 June 2021 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,441	12,821
Trade and other receivables		64,839	66,611
Contract assets		11,214	8,010
Inventories		1,304	1,450
Current tax receivables		2,510	-
TOTAL CURRENT ASSETS		**83,308**	**88,892**
NON-CURRENT ASSETS			
Property, plant and equipment		9,519	11,053
Intangible assets		17,317	17,295
Deferred tax assets		13,139	7,963
TOTAL NON-CURRENT ASSETS		**39,975**	**36,311**
TOTAL ASSETS		**123,283**	**125,203**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		58,652	61,001
Contract liabilities		10,408	9,628
Borrowings	6	8,246	-
Lease liabilities		3,538	4,473
Current tax liabilities		-	847
Provisions		15,851	12,526
TOTAL CURRENT LIABILITIES		**96,695**	**88,475**
NON-CURRENT LIABILITIES			
Trade and other payables		1,303	1,210
Lease liabilities		4,188	4,745
Provisions		20,644	6,663
TOTAL NON-CURRENT LIABILITIES		**26,135**	**12,618**
TOTAL LIABILITIES		**122,830**	**101,093**
NET ASSETS		**453**	**24,110**
EQUITY			
Issued capital		101,686	100,861
Accumulated losses		(102,200)	(80,222)
Profit reserve		471	2,044
Share-based payment reserve		496	1,427
TOTAL EQUITY		**453**	**24,110**

[1] 30 June 2021 balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note 5 for more details.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED **31 DECEMBER 2021**

	Notes	Issued Capital $'000	Accumulated Losses $'000	Profit Reserve $'000	Share-based Payment Reserve $'000	Total Equity $'000
Balance at 1 July 2020[1]		**100,390**	**(78,841)**	**4,898**	**1,368**	**27,815**
Profit for the half-year[1]		-	-	370	-	370
Total comprehensive income for the half-year		**-**	**-**	**370**	**-**	**370**
Dividends provided for or paid	4	51	-	(2,166)	-	(2,115)
Issue of shares		219	-	-	(167)	52
Share-based payment expense		-	-	-	540	540
Transfers between reserves		109	-	-	(109)	-
Balance at 31 December 2020[1]		**100,769**	**(78,841)**	**3,102**	**1,632**	**26,662**
Balance at 30 June 2021[1]		**100,861**	**(80,222)**	**2,044**	**1,427**	**24,110**
Loss for the half-year		-	(21,978)	-	-	(21,978)
Total comprehensive income for the half-year		**-**	**(21,978)**	**-**	**-**	**(21,978)**
Dividends provided for or paid	4	502	-	(2,173)	-	(1,671)
Issue of shares		323	-	-	(323)	-
Share-based payment expense		-	-	-	(8)	(8)
Transfers between reserves		-	-	600	(600)	-
Balance at 31 December 2021		**101,686**	**(102,200)**	**471**	**496**	**453**

[1] Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note 5 for more details.

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

STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED **31 DECEMBER 2021**

	Notes	2022 $'000	Restated[1] 2021 $'000
Cash flows from operating activities			
Receipts from customers		252,229	246,711
Payments to suppliers and employees		(263,480)	(249,251)
Interest paid		(816)	(798)
Income taxes paid		(188)	(151)
Net cash outflow from operating activities		**(12,255)**	**(3,489)**
Cash flows from investing activities			
Payments for property, plant and equipment		(135)	(557)
Payments for intangible assets		(741)	(1,784)
Payments for acquisition of subsidiary, net of cash acquired		-	344
Proceeds from sale of property, plant and equipment		229	127
Interest received		-	2
Net cash outflow from investing activities		**(647)**	**(1,868)**
Cash flows from financing activities			
Proceeds from borrowings	6	10,171	2,116
Proceeds executive loan repayments		198	-
Repayment of borrowings		(1,990)	(2,756)
Principal elements of lease payments		(3,186)	(2,733)
Dividends paid to company's shareholders	4	(1,671)	(4,206)
Net cash inflow/(outflow) from financing activities		**3,522**	**(7,579)**
Net decrease in cash and cash equivalents		(9,380)	(12,936)
Cash and cash equivalents at the beginning of the half-year		12,821	37,742
Cash and cash equivalents at end of the half-year		**3,441**	**24,806**

[1] Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note 5 for more details.

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

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR REPORT

This consolidated half-year financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 and reflects the financial performance and position of BSA Limited (the "Company") and its subsidiaries (the "Group").

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by BSA Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Apart from the change in accounting policy outlined in note 5:

- The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, and
- New accounting standards and pronouncements adopted during the year do not have a material impact to the financial statements.

The Company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument, unless otherwise stated.

Going concern basis

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

The review of operations reflects that the Group's current period performance has been significantly impacted by COVID-19 and settlement of the Class Action. This has resulted in the following for the half-year ended 31 December 2021:

- Current period net loss after tax of $21,978 thousand (31 December 2020: $370 thousand profit),
- Current period net operating cash outflow of $12,255 thousand (31 December 2020: $3,489 thousand operating cash outflow),
- Net deficiency of current assets of $13,387 thousand (30 June 2021: $417 thousand net current assets),
- Net assets of $453 thousand (30 June 2021: $24,110 thousand),
- Cash and cash equivalents of $3,441 thousand (30 June 2021: $12,821 thousand), and
- Net debt of $5,087 thousand (30 June 2021: net cash of $11,900 thousand).

In considering the current period financial performance, financial position and liquidity, the following items have been reflected upon:

- $23,023 thousand of the current period loss relates to settlement and legal costs associated with the defence and subsequent provisional settlement of the Class Action with settlement amounts payable in three instalments in June 2022, June 2023 and June 2024 (refer to note 3 for further details), and
- The Group has available, a suitable short-term funding facility of $36,000 thousand (as outlined in note 6) to draw as required for working capital purposes which have no financial covenants, but subject to Review Events (driven by current period financial performance based on a pre-defined EBITDA measure). As a Review Event has occurred based on current period performance, a waiver from the Review Event in respect of this facility has been received on 25 February 2022 and covers to the quarter ending 31 March 2022. The Review Event requirements have been modified for the quarters ending 30 June 2022 to 31 December 2022 with the forecast profitability in the model outlined below demonstrating that the Group will operate within the Review Event requirements over this period. The Review Event requirements will revert back to its original conditions for the quarter ending 31 March 2023.

As a consequence of the above considerations, a cash flow, profitability and liquidity forecast ("forecast") has been prepared up to the date of the final Class Action payment (30 June 2024). The key considerations included in this forecast are as follows:

- An increase in revenue with the lifting of COVID-19 related restrictions with higher margin complimentary revenue (reactive work). Demand has been subdued over the past 24 months in most maintenance sectors with a significant backlog of delayed recurring service work, BSA | APS | Fire Build work in hand and reactive order book and tenders which are expected to become available through calendar year 2022,
- Increased gross margins as a result of product mix with the backlog of higher margin work,
- No further Class Action expenditure, with suitable provisions for the final settlement and related legal fees being made in the current period,
- Consistent working capital management and sufficient liquidity to pay obligations as and when they come due,
- No payment of dividends until the Class Action settlement payments are completed in June 2024,
- Based upon the cash flow projections, the Group will operate within the short-term funding facility limit outlined in note 6,
- The forecast has been tested for sensitivity to reasonably possible outcomes over the forecast period and for the financial performance and position between 31 December 2021 and the date of signing of this report, with no issues noted.

In addition, the Group has received a letter of support from significant shareholders to provide additional equity (via a rights issue) over the twelve months from the date of signing of this report should it be required. The additional cash flow from the rights issue quantum is sufficient to cover any potential shortfall in liquidity for any reasonably possible outcomes included in the forecast outlined above.

Based on the forecast and the letter of support from significant shareholders, the Group will have sufficient financial performance, cash flows and liquidity for at least 12 months from the date of signing the financial report. Accordingly, the Directors have determined it is appropriate to continue to adopt the going concern basis in preparing this financial report. In the event that the extent and duration of restrictions and economic impacts of COVID-19 is greater than anticipated by the Directors, the Group will be impacted.

NOTE 2 SEGMENT AND REVENUE INFORMATION

Description of segments

The Group has two operating segments based upon the products and services offered by business units within each segment. The Group presents the below financial information to the Board of Directors on a monthly basis. The Group's reporting segments are as follows:

- **BSA | Communications & Utility Infrastructure (CUI):** provides services to the telecommunications, subscription television and utility industries. This includes the delivery of bundled services over fixed line and wireless networks, the installation of subscription television and the installation of smart meters,
- **BSA | Advanced Property Solutions (APS):** provides the design, installation, maintenance, and optimisation of building services for all hard assets in facilities and infrastructure, including: Fire Detection and Suppression, Mechanical Services, Heating, Ventilation, Air Conditioning, Refrigeration, Electrical and Building Management Systems, and
- **Other:** corporate support services provided across the Group.

Segment performance is disclosed below:

	Revenue and other income		Segment (Loss)/Profit	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021[(1)] $'000**
Communications & Utility Infrastructure	122,509	105,258	3,433	8,906
Advanced Property Solutions	95,083	107,899	(3,343)	4,306
Other	-	-	(2,116)	(3,567)
Revenue and EBITDA pre-significant items	217,592	213,157	(2,026)	9,645
Significant items			(23,879)	(2,868)
Depreciation and amortisation expense			(4,086)	(5,211)
Finance costs			(1,021)	(954)
(Loss)/Profit before tax			(31,012)	612
Income tax benefit/(expense)			9,034	(242)
(Loss)/Profit after tax			**(21,978)**	**370**

(1) Balances have been restated to reflect the Group's change in accounting policy for costs related to Software-as-a-Service (SaaS) arrangements. Refer to note 5 for more details.

NOTE 3 SIGNIFICANT ITEMS

Significant items

	2022 $'000	2021 $'000
Class Action settlement and associated legal defence costs[(1)]	23,023	771
Legal and professional fees relating to legacy issues	476	597
Initial due diligence related costs	380	-
Business reorganisation and restructure costs	-	1,500
Total significant items	**23,879**	**2,868**

[(1)] The total settlement amount is $20,000 thousand payable as following:

- $4,400 thousand by 30 June 2022
- $6,600 thousand by 30 June 2023
- $9,000 thousand by 30 June 2024

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

The parties will pay their own costs. The settlement of the proceedings is without admission of liability and subject to Federal Court approval and other conditions.

The $23,023 thousand includes the total settlement costs, legal costs associated with the defence and subsequent settlement and present value impacts for amounts payable in 2023 and 2024.

COVID-19 impact

As outlined in the ASX market release on 28 October 2021, COVID-19 restrictions stemming from the Delta and Omicron strains impacted operations as follows:

- Restrictions and full suspension on construction sites,
- Classification of essential services excluded key platforms such as smart metering and Foxtel,
- Productivity impact of workforce due to exposure isolation requirements, residing in and/or delivering work in government designated hotspots,
- Increased site protocols across both divisions reducing productivity and attendance,
- Employees not eligible to access government assistance packages such as JobKeeper, and
- Project work in BSA | APS Maintain division being deferred due to COVID-19.

The above had a direct impact on the Group's EBITDA pre-significant items which declined to a loss of $2,026 thousand.

With the reduction of COVID-19 levels and return of customer confidence the Group expects its financial performance to improve significantly over the second half of 2022.

The Group did not qualify for any government grant assistance in the HY2022, however in HY2021 comparative information, the employee benefits expense has been reduced by $11,183 thousand to reflect government assistance received (JobKeeper wage subsidy) in accordance with government guidelines to maintain the Group's workforce.

NOTE 4 DIVIDENDS

Ordinary shares

	2022 $'000	2021 $'000
Interim dividend	-	2,167
Final dividend	2,173	2,166
Dividends distributed during the half-year	**2,173**	**4,333**

The fully franked dividend for the financial year ended 30 June 2021 of $0.50 cents per share was distributed on 3 November 2021.

Dividend reinvestment plan

The group has a Dividend Reinvestment Plan (DRP) in place.

The DRP was in place for the distribution made in November 2021. The distribution resulted in $1,671 thousand being paid in cash and $502 thousand being raised by the DRP through the issue of 1,732 thousand securities at $0.29 cents per share.

In the prior year, the distribution resulted in $2,115 thousand being paid in cash and $51 thousand being raised by the DRP through the issue of 190 thousand securities at $0.27 cents per share in November 2020.

NOTE 5 RESTATEMENT

In April 2021 the IFRS Interpretations Committee (IFRIC) issued an agenda decision related to accounting for Software-as-a-Service (SaaS) arrangements. The IFRIC concluded configuration and customisation costs incurred in implementing SaaS arrangements should be expensed unless the criteria for recognising a separate asset are met. The Group outlined in notes C4 and F2 to the 30 June 2021 financial report that the impact of the change in accounting policy upon application of the SaaS IFRIC would be reflected in the 31 December 2021 half-year financial report. The Group has implemented this guidance retrospectively during the current half-year.

As part of this implementation, an assessment of all historical expenditure on SaaS arrangements was undertaken. The assessment determined that due to the nature of the historic information, it was impracticable to identify those configuration, customisation and other activities which should remain capitalised on the application of the SaaS IFRIC. This impracticability of application has resulted in the expensing of all amounts in the periods in which they were incurred, where there is insufficient information to support on-going capitalisation under the SaaS IFRIC.

The impact of the adoption of the SaaS IFRIC, including costs expensed are disclosed below:

Statement of financial position	30 June 2021 Reported $'000	Adjustment $'000	30 June 2021 Restated $'000	30 June 2020 Reported $'000	Adjustment $'000	30 June 2020 Restated $'000
Intangible assets	25,658	(8,363)	17,295	20,407	(6,390)	14,017
Deferred tax assets/(liabilities)	5,454	2,509	7,963	7,611	1,917	9,528
Other net assets/(liabilities)	(1,148)	-	(1,148)	4,270	-	4,270
NET ASSETS	**29,964**	**(5,854)**	**24,110**	**32,288**	**(4,473)**	**27,815**
Accumulated losses	(74,368)	(5,854)	(80,222)	(74,368)	(4,473)	(78,841)
Other equity	104,332	-	104,332	106,656	-	106,656
EQUITY	**29,964**	**(5,854)**	**24,110**	**32,288**	**(4,473)**	**27,815**

Statement of comprehensive income	30 June 2021 Reported $'000	Adjustment $'000	30 June 2021 Restated $'000	31 December 2020 Reported $'000	Adjustment $'000	31 December 2020 Restated $'000
Employee benefits expense	(52,741)	(2,741)	(55,482)	(21,430)	(1,653)	(23,083)
Depreciation and amortisation expense	(10,921)	887	(10,034)	(5,603)	392	(5,211)
Other expenses	(31,951)	(246)	(32,197)	(15,604)	(72)	(15,676)
Other comprehensive income items before tax	98,342	-	98,342	44,582	-	44,582
Profit before income tax	**2,729**	**(2,100)**	**629**	**1,945**	**(1,333)**	**612**
Income tax benefit/(expense)	(1,250)	630	(620)	(641)	399	(242)
Profit/(Loss) for the period	**1,479**	**(1,470)**	**9**	**1,304**	**(934)**	**370**
Total comprehensive income for the period	**1,479**	**(1,470)**	**9**	**1,304**	**(934)**	**370**

Statement of cash flows	30 June 2021 Reported $'000	Adjustment $'000	30 June 2021 Restated $'000	31 December 2020 Reported $'000	Adjustment $'000	31 December 2020 Restated $'000
Payments to supplier and employees	(444,100)	(2,987)	(447,087)	(247,526)	(1,725)	(249,251)
Other operating cash flows	439,512	-	439,512	245,762	-	245,762
Net cash outflow from operating activities	**(4,588)**	**(2,987)**	**(7,575)**	**(1,764)**	**(1,725)**	**(3,489)**
Payments for intangible assets	(5,094)	2,987	(2,107)	(3,509)	1,725	(1,784)
Other investing cash flows	(237)	-	(237)	(84)	-	(84)
Net cash outflow from investing activities	**(5,331)**	**2,987**	**(2,344)**	**(3,593)**	**1,725**	**(1,868)**

NOTE 6 BORROWINGS

Financing arrangements

The following financing facilities were available at balance date:

	31 December 2021 $'000	30 June 2021 $'000
Credit stand-by arrangements		
Borrowing Base Facility (debtor based facility)		
Facility Limit	37,500	37,500
Used	(7,500)	-
Unused	**30,000**	**37,500**
Cash Advance Facility		
Facility Limit	6,000	6,000
Used	-	-
Unused	**6,000**	**6,000**
Insurance Funding Facility		
Facility Limit	746	-
Used	(746)	-
Unused	**-**	**-**
Total unused facilities at balance date	**36,000**	**43,500**

In addition to the above arrangements (which are due to mature in June 2023), the Group has a bank guarantee facility of $26,500 thousand (2021: $26,500 thousand), of which $11,451 thousand (2021: $15,703 thousand) was utilised.

The Group also has a surety bond facility with Swiss Re International SE of $20,000 thousand (2021: $20,000 thousand), of which $11,396 thousand (2021: $17,220 thousand) was utilised.

As at 31 December 2021, there were $263 thousand (30 June 2021: $921 thousand) of finance and hire purchase liabilities as determined under the accounting standard AASB 117 Leases that applied prior to 1 July 2019.

NOTE 7 CONTINGENT LIABILITIES

The Group had contingent liabilities at 31 December 2021 in respect of:

Matter	Description
Bank guarantees and Insurance bonds	Established in favour of National Australia Bank, the Commonwealth Bank of Australia and Swiss Re International SE for guarantees issued to various clients for satisfactory contract performance, secured by cross guarantees from all wholly owned group members amounting to $23,651 thousand (2021: $32,923 thousand).
Claims against the Group	Certain claims, including those arising out of construction contracts, have been made by, or against, the Group in the ordinary course of business.

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

Provisions

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

NOTE 8 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group entered into a settlement agreement in relation to the Class Action the Group was served with in August 2020. The settlement sum has been reflected in the financial accounts of the Group. Refer to note 3.

No other significant events have occurred since the end of the reporting period.

The Director declare that:

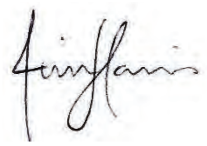
(a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001.*

On behalf of the Directors

Mr Michael Givoni
Director



Mr Timothy Harris
Director
Sydney

28 February 2022

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Review Report to the Members of BSA Limited

Conclusion

We have reviewed the half-year financial report of BSA Limited (the "Company") and its subsidiaries (the "Group"), which comprises the statement of financial position as at 31 December 2021, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 19.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

(a) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual 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 review report.

Directors' Responsibilities for the Half-year Financial Report

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

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

LA de Rooij
Partner
Chartered Accountants
Sydney, 28 February 2022

CORPORATE DIRECTORY

BSA Limited - Corporate

Registered Office (Sydney)

Advanced Property Solutions (APS)
Communications & Utility Infrastructure (CUI)

Level 7, 3 Thomas Holt Drive
Macquarie Park NSW 2113
P +61 2 9763 6200
F +61 2 9763 6201
E corporate@bsa.com.au
W www.bsa.com.au

Share Registry

Computershare Investor Services

GPO Box 2975
Melbourne VIC 3001 Australia
P 1300 85 05 05
P +61 3 9415 4000
F +61 3 9473 2500

Auditor

Deloitte Touche Tohmatsu

225 George Street
Sydney NSW 2000

Financier

Commonwealth Bank of Australia

201 Sussex Street
Sydney NSW 2000

www.bsa.com.au