MAAS Group Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	MAAS Group Holdings Limited
ABN:	84 632 994 542
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	86.3%	to	517,166
Profit from ordinary activities after tax attributable to the owners of MAAS Group Holdings Limited	up	78.0%	to	61,562
Profit for the year attributable to the owners of MAAS Group Holdings Limited	up	78.0%	to	61,562

	2022 Cents	2021 Cents
Basic earnings per share	21.42	14.37
Diluted earnings per share	21.26	14.33

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend	3.5	3.5
Interim dividend	2.0	2.0

Comments
The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to $61,562,000 (30 June 2021: $34,570,000).

Reference is made to the *Review of operations and financial position* in the Directors' Report contained in the attached Financial Report for MAAS Group Holdings Limited for the year ended 30 June 2022.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	109.10	75.11

4. Control gained over entities

For details on the acquisition of subsidiaries refer to note 37.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2022	3.5	3.5
Interim dividend for the year ended 30 June 2022	2.0	2.0

Previous period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2021	3.0	3.0
Interim dividend for the year ended 30 June 2021	2.0	2.0

7. Dividend reinvestment plans

During the year, MGH had a Dividend Reinvestment Plan (DRP) in operation. Under the DRP, eligible shareholders may elect to have dividends and some or all of their ordinary shares automatically reinvested in additional MGH shares at a discount to the volume-weighted average price ("VWAP")_ for the 5 days immediately after the day after the record date. The Board has determined that discount to the VWAP will be 2.5%. Full details of the DRP are contained in plan terms and conditions available on the MAAS Group Holdings Limited website: https://investors.maasgroup.com.au/investor-centre/

8. Details of associates and joint venture entities

For details on the associates refer to note 15.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Australian Accounting Standards are utilised when compiling the financial report.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

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

11. Attachments

Details of attachments (if any):

The Financial Report of MAAS Group Holdings Limited for the year ended 30 June 2022 is attached.

12. Signed

Date: 18 August 2022

MAAS Group Holdings Limited

ABN 84 632 994 542

Financial Report - 30 June 2022

Directors	Stephen G Bizzell - Non-executive Chairman Wesley J Maas - Managing Director and Chief Executive Officer Stewart A Butel - Non-executive Director Michael J Medway - Non-executive Director David B Keir - Non-executive Director
Company secretary	Craig G Bellamy
Registered office and Principal place of business	20 L Sheraton Road Dubbo NSW 2830
Auditor	BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000
Solicitors	Duffy Elliott 148 Brisbane Street Dubbo NSW 2830 Maddocks Angel Place Level 27 123 Pitt Street Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Limited Level 9 201 Sussex Street Sydney NSW 2000 Westpac Banking Corporation Level 3 275 Kent Street Sydney NSW 2000
Stock exchange listing	MAAS Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: MGH)
Website	www.maasgroup.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of MAAS Group Holdings Limited (referred to hereafter as the 'company' or 'parent entity' or 'MGH') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors
The following persons were directors of MAAS Group Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen G Bizzell - Chairman
Wesley J Maas - Managing Director and Chief Executive Officer
Stewart A Butel
Michael J Medway
David B Keir (appointed 5 October 2021)
Neal M O'Connor (resigned 1 August 2022)

Principal activities
During the financial year the principal activities of the consolidated entity consisted of:
- Real estate
- Civil, construction and hire
- Manufacturing
- Construction materials

The Real Estate activities of the consolidated entity for the year consisted of residential development, commercial development, residential construction, commercial construction and building materials supplies in Regional New South Wales, Queensland and Australian Capital Territory.

The Civil, Construction and Hire activities of the consolidated entity for the year consisted of civil, construction and hire of above-ground, underground and specialised electrical equipment, electrical infrastructure services and machinery sales within Australia.

The Manufacturing activities of the consolidated entity for the year consisted of the manufacture of equipment and the sale of equipment and spare parts. The consolidated entity conducted its operations from Australia, Vietnam and Indonesia with sales to multiple global jurisdictions.

The Construction Materials activities of the consolidated entity for the year consisted of the operation of fixed and mobile plant quarries, crushing services, concrete, transport services and geotechnical services within Australia.

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2022 **$'000**	**2021** **$'000**
Final dividend for the year ended 30 June 2021 of 3 cents per ordinary share	8,649	-
Interim dividend for the year ended 30 June 2022 of 2 cents (2021: 2 cents) per ordinary share	5,887	5,299
	14,536	5,299

A final dividend of 3.5 cents per ordinary share was declared subsequent to year end. All dividends paid in the period and declared subsequent to year end were fully franked.

Review of operations and financial position
The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to $61.562m (30 June 2021: $34.570m).

The consolidated entity enjoyed a strong result for the year ended 30 June 2022 through increased performance from the Real Estate, Civil, Construction and Hire and Construction Materials operating segments. The FY22 EBITDA for the consolidated entity increased by 77.9% compared to the prior year whilst the FY22 Adjusted EBITDA for the consolidated entity increased by 74.5% from the prior year. Further details in relation to the statutory and adjusted statutory EBITDA are below. The financial position of the consolidated entity improved during FY22 with Total Assets increasing by 93.6% to $946.929m (FY21: $489.208m) and net assets increasing by 79.22% to $455.951m (FY21: $254.400m).

The increased financial position of the consolidated entity was due to an operating profit and increase in issued capital and debt with the proceeds used to acquire a number of businesses and invest back into operations of the group.

Reconciliation of profit before income tax to EBITDA and Adjusted EBITDA (unaudited):

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Profit before income tax expense	87,571	47,241
Depreciation and amortisation	30,569	15,706
Interest revenue	(45)	(16)
Finance costs	7,178	7,495
EBITDA	125,273	70,426
Transaction costs in connection with the IPO and preparation towards IPO	-	1,753
Transaction costs relating to business combinations	3,122	1,294
Other non-recurring expenses	409	342
Adjusted EBITDA	128,804	73,815

Reconciliation of Adjusted EBITDA to Proforma EBITDA (unaudited):

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Adjusted EBITDA	128,804	73,815
Pre-acquisition EBITDA	2,103	1,626
Share-based payment expense	769	352
Fair value movement on contingent consideration	(6,546)	-
Other non-operating expenses	-	115
Proforma EBITDA	125,130	75,908

EBITDA, Adjusted EBITDA and Proforma EBITDA are non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. These measures, which are unaudited, are important to management as an additional way to evaluate the consolidated entity's performance.

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events. It also excludes bargain purchases from business combinations. Interest income and finance costs have been allocated to segments, however going forward this type of activity will be driven by a central treasury function and will therefore not be allocated to segments.

Refer to segment note 4 to the financial statements for further details of the consolidated entity's results which have been broken down to 4 segments: (1) Real Estate; (2) Civil, Construction and Hire; (3) Manufacturing; and (4) Construction Materials.

Proforma EBITDA is adjusted for the pre-acquisition EBITDA of business combinations where the company is entitled to pre-completion profits and non-operational items during the year including share-based payments and fair value movement of contingent consideration.

As noted above, the Real Estate, Civil, Construction and Hire and Construction Materials operating segments enjoyed increased performance in FY22 compared to the prior year. Operating results of all segments is summarised below.

The Real Estate segment increased adjusted EBITDA by 144% to $53.242m for the year (FY21: $21.855m) through a combination of improved performance from both the residential and commercial real estate divisions. Including Build-to-Rent, Residential settlements for FY22 were 270 settlements as compared to 230 settlements in FY21 with FY22 settlements achieving a higher margin per lot compared to FY21. This combined with fair value adjustments of $18.843m (FY21: $9.284m) of the Commercial Property division, along with the performance of the Commercial Construction businesses (acquired during FY22) underpinned the strong result for the segment.

The Civil, Construction and Hire segment saw an increase in adjusted EBITDA to $49.782m (FY21: $36.531m) representing an increase of 36.2%. Each of the business units comprising the segment performed in accordance with expectations with market conditions continuing to strengthen into FY23.

The Construction Materials segment increased adjusted EBITDA to $27.331m (FY21: $13.402m) representing an increase of 103.7%. The result was achieved despite higher-than-expected rainfall across operating regions for the year and vendor led delays to key project deliverables including the Inland Rail. These delays have led to a strong pipeline of work to be delivered in FY23.

The Manufacturing segment witnessed adjusted EBITDA of $1.791m (FY21: $4.847m) in the period representing a decrease of 63%. The result was largely driven by COVID-19, impacting factory and production capacity as well as managing the current global logistics and procurement challenges. The sales pipeline built through FY22 however has provided a platform for the operating segment to deliver improved performance in FY23 with increased sales of machines and spare parts.

The consolidated entity enjoyed its first full year as a listed entity on the Australian Securities Exchange (ASX). This has proven fruitful with continued access to capital to assist the growth witnessed during the period via Share Placement Plans, Conditional Placements, Dividend Reinvestment Plans and Capital Raises. Support from banking partners was also noted during the period with the extension of total facilities to $500.000m.

FY22 continued to represent a strong year of growth by acquisition with MGH completing multiple acquisitions across key operating segments including Redimix Tamworth (Construction Materials), Inverell Aggregates (Construction Materials), A1 Earthworx (Civil, Construction and Hire), Stanaway (Real Estate), Maas Brothers (Real Estate), Brett Harvey Designs (Real Estate), Westwood Quarries (Construction Materials), Dawson Quarries (Construction Materials), Earth Commodities (Construction Materials), Blackwater Quarries (Construction Materials), Astleys (Real Estate) and Garde (Civil, Construction and Hire). For further information on completed transactions, refer below and also to note 37 *Business Combinations*.

In addition to these completed acquisitions, the consolidated entity also increased its residential and commercial development footprint through the various acquisitions of the future master planned sites. The major acquisitions were in Dubbo (RAAF Base Dubbo, Liberal Site, Church Street), Rockhampton (Ellida Estate), Orange (Leeds Parade), Self Storage (Canberra, Albury, Dubbo, Bathurst, Goulburn, Kempsey) and Yatala.

The consolidated entity also announced further pending acquisitions to the ASX subsequent to 30 June 2022 with some of these settling since year-end. Refer note 39 further information in relation to subsequent events.

Significant changes in the state of affairs
The consolidated entity acquired the following businesses during the year for a total consideration of $177.468m (refer note 37):

Business	*Segment*	*Activities and location*
A1 Earthworx	CCH	Civil construction and machinery business in Mudgee, NSW.
GARDE	CCH	Specialist provider of underground electrical cable and installation operating in Sydney, NSW.
Blackwater Quarries	CM	Construction materials acquisition of four operating quarries and a concrete batch plant operating in Blackwater, Central QLD.
Dawson Quarries	CM	Construction materials acquisition of two operating quarries operating in Castlecreek, Central QLD.
Earth Commodities Gladstone	CM	Construction materials acquisition of two operating quarries operating near Gladstone, QLD.
Inverell	CM	Land and business construction materials acquisition in Inverell, NSW.
Redimix	CM	A concrete and aggregate business operating in Tamworth, NSW.
Westwood	CM	Construction materials acquisition further increasing the group's capability in Central Queensland.
Astleys Building Supplies	RE	Plumbing & Hardware acquisition operating in Dubbo, NSW.
Brett Harvey	RE	Residential home building company based in Dubbo, NSW whose acquisition strengthens the vertically integrated house and land package delivery capability within the real estate segment.
MAAS Construction and MAAS Plumbing	RE	Commercial construction business located in Dubbo, NSW which will increase capacity to deliver on the group’s commercial development portfolio.
Spacey Self Storage	RE	Self-storage business operating in regional centres across NSW and ACT.
Stanaway	RE	Commercial construction business located in Dubbo, NSW which will increase capacity to deliver on the group’s commercial development portfolio.

CCH - Civil, Construction & Hire
CM - Construction Materials
RE - Real Estate

MAAS Group Holdings Limited issued 30,325,004 new ordinary shares during the year, resulting in issued share capital increasing from $279.635m to $432.530m (refer note 24). The share capital increase is represented by cash proceeds of $90.666m from capital raises, a DRP of $14.105m and $49.633m as part consideration for businesses acquired during the period.

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

Matters subsequent to the end of the financial year

(a) Share Placement

On 29 July 2022, the company announced its intention to undertake a capital raising of $105.000m via a Placement, comprising an Institutional Placement of $35.000m and a Founder and Management Placement of $70.000m via two separate tranches. Proceeds of the capital raising will be used to fund growth and acquisition initiatives, including near-term opportunities in the Construction Materials segment. Directors of MGH (or entities associated with them) and other Founding Shareholders and executives of MGH have committed approximately $70.000m in the Founder and Management Placement (subject to shareholder approval for related parties).

On 3 August 2022, MGH issued 8,750,000 fully paid ordinary shares in the company to institutional and professional investors under the Institutional Placement announced on 29 July 2022. The company also issued 1,287,500 fully paid ordinary shares in the company under Tranche 1 of the Founder and Management Placement announced on 29 July 2022. The second tranche is due to close post the meeting of shareholders to consider the proposed placement to directors of MGH, which if approved, is expected to occur in October 2022.

(b) Share purchase plan (SPP)

On 19 July 2022 MGH issued 636,364 fully paid shares in the company at an issue price of $5.50. These were the remaining shares to be issued to investors pursuant to outstanding commitments to subscribe for the Share Purchase Plan Shortfall previously announced and approved at the 2021 Annual General Meeting of 9 November 2021.

On 29 July 2022, as part of the capital raising announcement on 29 July 2022 outlined in (a) above, MGH also offered a Share Purchase Plan to eligible Australian and New Zealand shareholders to raise up to $10.000m. The results of the SPP are due to be announced on 19 August 2022.

(c) Dividend

The Directors declared a fully franked final dividend of 3.5 cents per share on 18 August 2022, which reflects a full year dividend of 5.5 cents per share, an increase of 10% from the prior year.

(d) Acquisition

Schwarz

On 1 July 2022, the consolidated entity entered into an agreement to acquire Schwarz Excavations Pty Ltd (Schwarz) for an initial cash payment of $34.858m and the issue of 913,194 shares in MGH for a total consideration of $38.620m (Acquisition Consideration). Further cash consideration may be payable, contingent on Schwarz achieving certain EBITDA targets for the three financial years following completion up to $3.000m. The acquisition completed on 22 July 2022. The financial effects of this transaction have not been recognised at 30 June 2022. The operating results and assets and liabilities of the acquired business will be consolidated from completion. The Schwarz business operations will be reported in the Civil, Construction & Hire segment.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Other than the following acquisitions listed below, no other information on likely developments in the operations of the consolidated entity and the expected results of operations have been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Clermont Quarries

On 29 July 2022, the consolidated entity announced that it had entered into a binding agreement to acquire four hard rock quarries and two sand quarries in the Isaac Region of Central Queensland. The agreement, which is an agreement to acquire the business and assets, is subject to various third-party consents and customary completion conditions with the transaction expected to complete by the end of August 2022. The consideration for the acquisition is $12.750m plus an amount for stock of up to $2.200m, finalised at completion. The financial effects of this transaction have not been recognised at 30 June 2022. The quarries will be reported in the Construction Materials segment.

Environmental regulation

The consolidated entity is subject to various environmental regulations under Australian Commonwealth and State law. The consolidated entity has conducted its operations in accordance with the legislation listed above and has not breached nor been subject to any penalty by the relevant authority.

Information on directors

Name:	**Stephen G Bizzell**
Title:	Non-executive Chairman
Qualifications:	B. Com. MAICD
Experience and expertise:	Stephen brings over 25 years experience in the mining, energy, and financial services sectors. Stephen is the Chairman of corporate advisory and funds management group Bizzell Capital Partners and has extensive governance experience having served as a director or chairman of 14 ASX listed companies and was previously an executive director of Arrow Energy for 12 years until its takeover in 2010, a co-founder and director of Bow Energy until its takeover in 2012 and a co-founder and director of Stanmore Coal until its takeover in 2020.
Other current directorships:	Armour Energy Ltd (since 9 March 2012) Laneway Resources Ltd (since 28 June 1996) Renascor Resources Ltd (since 1 September 2010) Strike Energy Ltd (since 31 December 2018)
Former directorships (last 3 years):	Stanmore Coal Limited (5 October 2009 to 15 May 2020) UIL Energy Limited (1 August 2014 to 9 October 2019)
Special responsibilities:	Chairman of the Company Member of the Audit and Risk Committee Member of the Remuneration and Nomination Committee Member of the Health, Safety and Environment Committee
Interests in shares:	685,979

Name:	**Wesley J Maas**
Title:	Managing Director and Chief Executive Officer
Qualifications:	None
Experience and expertise:	Wes Maas is the Founder and has been actively involved in the business since its inception. He has been instrumental in developing MAAS Group into the leading independent construction materials, equipment, services and property provider it is today. Wes brings over 18 years experience in the construction and services industries to MAAS Group.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Managing Director and Chief Executive Officer
Interests in shares:	158,063,039

Name:	**Stewart A Butel**
Title:	Non-executive Director
Qualifications:	B. Science (Geology), Grad Dip in Business Studies, Advanced Certificate of Coal Mining, GAICD
Experience and expertise:	Stewart has more than 45 years of experience in management and board roles in the resource industry in New South Wales, Queensland and Western Australia. Stewart joined Wesfarmers Limited in 2000 and was managing director of Wesfarmers Resources between 2006 and 2016. Stewart is a past director of a number of ASX listed and unlisted companies. He is past President of the Queensland Resources Council, served on the board of the Minerals Council of Australia and other resource industry bodies.
Other current directorships:	None
Former directorships (last 3 years):	RPM Global Holdings Limited (from 1 September 2018 to 18 May 2020) Stanmore Coal Limited (from 18 September 2017 to 15 May 2020)
Special responsibilities:	Chairman of the Health, Safety and Environment Committee Chairman of the Related Party Committee
Interests in shares:	61,376

Name:	**Michael J Medway**
Title:	Non-executive Director
Qualifications:	BBus (Accountancy), CA, MAICD
Experience and expertise:	Michael has worked in the professional accounting industry for almost 30 years in. He has been a Chartered Accountant for over 25 years and his background has seen him work across various firms in Sydney and Regional NSW. As the principal of Lincoln Partners Dubbo and later a director of Lincoln Partners Pty Ltd, Michael has acted as the external accountant for Wes Maas and his companies since 2002 and MAAS Group upon its formation. Michael retired from Lincoln Partners Pty Ltd in June 2020 and was subsequently appointed to the Board.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Remuneration and Nomination Committee Member of the Remuneration and Nomination Committee Member of the Audit and Risk Committee Member of the Health, Safety and Environment Committee
Interests in shares:	285,640

Name:	**David B Keir** (appointed 5 October 2021)
Title:	Non-executive Director
Qualifications:	Bachelor of Applied Science (Built Environment), Graduate Diploma in Urban and Regional Planning, Graduate Diploma in Project Management
Experience and expertise:	David is a highly experienced executive with over 30 years in the property industry, during which time he has successfully led and grown the value of several property companies. David was from 2010 until 2016 the Managing Director and CEO of Devine Limited, an ASX listed property group with operations in Queensland, New South Wales, Victoria and South Australia and in regional geographies across Australia. David is currently the Chief Development Officer for the Port of Brisbane, overseeing the planning, development and ongoing portfolio management of a diverse property portfolio, consisting of a range of land uses which include industrial, transport operations, marine infrastructure, retail/commercial, and environmental buffer areas.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	Nil

Name:	**Neal M O'Connor** (resigned 1 August 2022)
Title:	Non-executive Director
Qualifications:	B. Laws and Dip. Legal Practice, GAICD
Experience and expertise:	Neal has over 30 years experience in law as well as extensive experience in the resource industry. Neal is currently a non-executive director of Mitchell Services Ltd (ASX:MSV) and acts as a consultant to Carter Newell Lawyers. Neal is a former director of Stanmore Coal Ltd (ASX:SMR) and was previously General Counsel, Company Secretary and an Executive Committee Member of Xstrata Holdings Pty Ltd and Xstrata Queensland Limited. Neal is a Solicitor of the Supreme Court of Queensland, Solicitor of the High Court of Australia, Solicitor of the High Court of England and Wales, and a member of the Australian Institute of Company Directors.
Other current directorships:	Mitchell Services Limited (since 21 October 2015)
Former directorships (last 3 years):	Stanmore Coal Ltd (from 18 September 2017 to 15 May 2020)
Special responsibilities:	Chairman of the Audit and Risk Committee Member of the Audit and Risk Committee Member of the Related Party Committee Chairman of the Remuneration and Nomination Committee Member of the Remuneration and Nomination Committee
Interests in shares:	25,437*

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

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

* Interests in the shares of the company as at the date of resignation as a director.

Special responsibilities of Directors

The following changes occurred during the year in the sub-committees:

(1) Remuneration and Nomination Committee:
Michael Medway resigned as Chair of the Remuneration and Nomination Committee on 5 October 2021 at which point he became a Committee Member. Neal O'Connor was appointed Chair of the Remuneration and Nomination Committee on 5 October 2021, having been a Committee Member, up until he resigned as a Director of the Company and Chair of the Remuneration and Nomination Committee on 1 August 2022. Stephen Bizzell resigned from the Committee on 5 October 2021, he was reappointed to the vacancy as a Committee Member on 1 August 2022 and Michael Medway reappointed Chair as at the same date.

(2) Health, Safety and Environment Committee:
Stewart Butel was Chair of the Health, Safety and Environment Committee for the period, while Stephen Bizzell and Michael Medway were Committee Members.

(3) Audit and Risk Committee:
Neal O'Connor resigned as Chair of the Audit and Risk Committee on 5 October 2021 at which point, he became a Committee Member and Stephen Bizzell ceased being a Committee Member. David Kier was appointed Chair of the Audit and Risk Committee on 5 October 2021 while Michael Medway was a Committee Member for the period. Neal O'Connor resigned as a Director of the Company and a Member of the Audit and Risk Committee on 1 August 2022. Stephen Bizzell was appointed to the vacancy as a Committee Member on the same date.

(4) Related Party Committee:
Stewart Butel was Chair of the Related Party Committee for the period, while Neal O'Connor was a Committee Member up until his resignation as a Director of the Company and a Committee Member on 1 August 2022. David Keir was appointed to the vacancy as a Committee Member on the same date.

Company secretary

Craig G Bellamy (BBus (Accountancy), CA) was appointed company secretary on 23 October 2020 and is the company's Chief Financial Officer. Craig has over 25 years' experience and has previously held executive roles including Chief Executive Officer and Chief Financial Officer for ASX listed entities Devine Limited and Unity Pacific Group Limited (formerly Trinity Group Limited).

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Stephen G Bizzell[A]	17	17	2	2	1	1
Wesley J Maas[B]	17	17	-	-	-	-
Stewart A Butel[C]	17	17	-	-	-	-
Neal M O'Connor	17	17	5	5	2	2
Michael J Medway	17	17	5	5	2	2
David B Keir*	11	11	3	3	1	1

	Health, safety & environment committee		Related party committee	
	Attended	Held	Attended	Held
Stephen G Bizzell[A]	4	4	-	-
Wesley J Maas[B]	-	-	-	-
Stewart A Butel	4	4	1	1
Neal M O'Connor[D]	-	-	1	1
Michael J Medway	4	4	-	-
David B Keir[E*]	-	-	-	-

A Attended Remuneration and Nomination Committee and Related Party Committee meetings but not as a member of the relevant committee (by invitation)

B Attended Audit & Risk Committee, Remuneration and Nomination Committee, and Health, Safety and Environment Committee meetings but not as a member of the relevant committee (by invitation)

C Attended Audit & Risk Committee and Remuneration and Nomination Committee meetings but not as a member of the relevant committee (by invitation)

D Attended Health, Safety & Environment Committee meetings but not as a member of the relevant committee (by invitation)

E Attended Health, Safety & Environment Committee meetings but not as a member of the relevant committee (by invitation)

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

* Appointed 5 October 2021

Remuneration report - audited

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.

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

Principles used to determine the nature and amount of remuneration

The objective of the 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

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

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

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

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

Non-executive directors remuneration

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

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum aggregate amount which has been approved by MGH shareholders for payments to the directors is $0.750m per annum. The most recent determination was at the Annual General Meeting held on 21 October 2020, where the shareholders approved a maximum annual aggregate remuneration of $0.750m.

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

The executive remuneration and reward framework has two components:
- base pay and non-monetary benefits
- variable remuneration – short term incentives
- other remuneration such as superannuation and long service leave

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

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Non-executive Chairman based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The objectives of short-term incentives ('STI') currently in place are to link the achievement of the consolidated entity's operational success with the remuneration received by the executive charged with meeting informally agreed key performance indicators ('KPI's'). It is a cash incentive set to provide sufficient incentive to the executive to achieve the KPIs. The only executive entitled to an STI is the CFO under the terms of his employment contract. The total potential STI is set at 20% of base salary (total opportunity: $0.072m). KPI's include criteria at both an individual and consolidated entity level including individual and company performance. The CFO's 30 June 2021 STI (2021 STI) was assessed for the period 4 December 2020 to 30 June 2021 and amounted to $0.042m. The CFO's 30 June 2022 STI (2022 STI) amounted to $0.072m. Both the 2021 STI and 2022 STI were accrued for in the 30 June 2022 financial year.

There are currently no long-term incentives.

Use of remuneration consultants
The consolidated entity did not engage remuneration consultants during the year ended 30 June 2022.

Voting and comments made at the company's 9 November 2021 Annual General Meeting ('AGM')
At the 9 November 2021 AGM, 99.98% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

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

The key management personnel of the consolidated entity consisted of the following directors of MAAS Group Holdings Limited:

Directors:
- Stephen G Bizzell (Chairman of the Board)
- Wesley J Maas (Chief Executive Officer)
- Stewart A Butel
- Neal M O'Connor
- Michael J Medway
- David B Keir (appointed 5 October 2021)

And the following person:
- Craig G Bellamy (Chief Financial Officer and Company Secretary)

Changes since the end of the reporting period:
Neal O'Connor resigned as Director on 1 August 2022.

	Short-term benefits				Post-employment benefits	Long-term benefits		
	Cash Salary and Fees $	Annual Leave Accrual $	STI Accrual $	Non-Monetary $	Super-annuation $	Long service Leave $	Total $	Proportion of remuneration that is performance base %
Stephen G Bizzell	91,047	-	-	-	9,105	-	100,152	-
Stewart A Butel	77,390	-	-	-	7,739	-	85,129	-
Neal M O'Connor	77,390	-	-	-	7,739	-	85,129	-
Michael J Medway	74,360	-	-	-	7,436	-	81,796	-
David B Keir(1)	54,545	-	-	-	5,455	-	60,000	-
Wesley J Maas	360,000	17,999	-	-	36,000	-	413,999	-
Craig G Bellamy(2)	360,000	15,445	114,000	-	36,000	-	525,445	22%
	1,094,732	33,444	114,000	-	109,474	-	1,351,650	

(1) David Keir was appointed a Non-executive Director on 5 October 2021.

(2) The accrued bonus paid during the period is reflective of FY22 and also a seven month period in FY21. The seven months was not accrued or awarded to Craig Bellamy in FY21 as the STI was not considered until the end of his 1st anniversary of contract on 4th December 2021. The accrued bonus entails no associated KPI's, rather the amounts were awarded at the discretion of the Remuneration and Nomination Committee for performance since the contract date.

	Short-term benefits			Post-employment benefits	Long-term benefits	
2021	Cash salary and fees $	Annual leave accrual $	Cash bonus $	Super-annuation $	Long service leave $	Total $
Non-Executive remuneration:						
Stephen G Bizzell	63,092	-	-	5,994	-	69,086
Stewart A Butel	51,750	-	-	4,916	-	56,666
Neal M O'Connor	50,672	-	-	4,814	-	55,486
Michael J Medway	53,628	-	-	5,095	-	58,723
Executive remuneration:						
Wesley J Maas	291,808	27,159	-	27,722	-	346,689
Craig G Bellamy(1)	339,461	28,226	-	32,249	-	399,936
Damien J Porter(2)	58,846	26,465	-	5,509	44,326	135,146
	909,257	81,850	-	86,299	44,326	1,121,732

(1) Craig Bellamy was an Executive Director of the company until the date of his resignation as Director on 21 October 2020. Craig Bellamy is still considered a key management personnel from that time on in his role as Chief Financial Officer/Company Secretary.

(2) Damien Porter was an Executive Director of the company until the date of his resignation as Director on 21 October 2020. Damien Porter was no longer considered as a key management personnel in his role as General Manager - Plant after resigning as director.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2022	2021	2022	2021	2022	2021
Non-Executives:						
Stephen G Bizzell	100%	100%	-	-	-	-
Stewart A Butel	100%	100%	-	-	-	-
Neal M O'Connor	100%	100%	-	-	-	-
Michael J Medway	100%	100%	-	-	-	-
David B Keir	100%	-	-	-	-	-
Executives:						
Wesley J Maas	100%	100%	-	-	-	-
Craig G Bellamy	85%	100%	15%	-	-	-
Damien J Porter	-	100%	-	-	-	-

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

	Cash bonus paid/payable		Cash bonus forfeited	
Name	2022	2021	2022	2021
Executives:				
Craig Bellamy	100%	-	-	-

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

Name:	Wesley J Maas
Title:	Chief Executive Officer
Agreement commenced:	28 September 2020
Term of agreement:	Ongoing
Details:	Wes is the founder, major shareholder and Managing Director of MGH. Wes entered into an employment agreement with MGH in September 2020. Under the terms of his executive contract, Wes is entitled to a base salary of $360,000 plus superannuation and other non-monetary benefits. The term of the contract is open-ended and requires Wes to provide 12 months' notice in the event of resignation. The company is required to provide Wes 6 months' notice in the event of termination.

Name:	Craig G Bellamy
Title:	Chief Financial Officer
Agreement commenced:	27 May 2019
Term of agreement:	Ongoing
Details:	Craig is Chief Financial Officer of MGH. Craig is paid a base salary of $360,000 per annum plus superannuation effective 4 December 2020, when his remuneration was renegotiated. Craig is also entitled to an STI of 20% of base salary subject to key performance indicators. Under the terms of his agreement, Craig is required to provide 6 months’ notice in the event of resignation, with the company also required to provide 6 months’ notice in the event of termination.

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

Share-based compensation
Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Performance rights
There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Additional information
The company aims to align its executive remuneration to its strategic and business objective and the creation of shareholder wealth. The tables below show measures of the Company's financial performance over the last five years as required by the Corporations Act 2001.

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Sales revenue	517,121	277,562	193,440	39,076	43,305
Profit after income tax	61,562	34,742	20,942	9,220	11,248

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

	2022	2021	2020
Share price at financial year end ($)*	3.63	5.60	-
Total dividends paid (cents per share)	5.00	2.00	-
Basic earnings per share (cents per share)	21.42	14.37	10.10
Diluted earnings per share (cents per share)	21.26	14.33	10.10

* The company's shares first traded on the ASX on 4 December 2020 after successful completion of its IPO. Accordingly, no share price information has been provided prior to the 2021 financial year.

Additional disclosures relating to key management personnel
Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as compensation	Options exercised	Net change other*	Balance at the end of the year
Ordinary shares					
Stephen G Bizzell	649,362	-	-	36,617	685,979
Wesley J Maas	149,401,642	-	-	8,661,397	158,063,039
Stewart A Butel	58,684	-	-	2,692	61,376
Neal M O'Connor**	25,150	-	-	287	25,437
Michael J Medway	100,600	-	-	185,040	285,640
David B Keir	-	-	-	-	-
Craig G Bellamy	181,081	-	-	-	181,081
	150,416,519	-	-	8,886,033	159,302,552

* Includes the net balance of shares acquired or sold on market or pursuant to the capital raisings, dividend reinvestment plans, conditional placements and share purchase plans during the year and/or held on appointment/resignation.
** Neal M O'Connor resigned on 1 August 2022.

Other transactions with key management personnel

Related party transactions – Wesley Maas:

- Wesley Maas is a director of Property Maintenance Australia Pty Ltd (PMA). During the 2022 financial year, the consolidated entity engaged PMA to provide commercial flights to the consolidated entity's locations throughout Australia. Flights are charged at cost to the consolidated entity and the total charge for the 2022 financial year was $175,872 (2021: $nil). During the 2021 financial year, the consolidated entity engaged PMA to provide property consulting services to the value of $67,500 until September 2020 when the engagement ended. The contract was based on normal terms and conditions.
- The consolidated entity leased premises from Emma Maas, the wife of Wesley Maas, on a short-term and ad-hoc basis. The rental charged during the year of $28,600 (2021: $29,150) was based on market rates.
- The consolidated entity leased premises from Yarrandale Pty Ltd, an entity controlled and/or associated with Wesley Maas. The rental charged during the year of $318,482 (2021: $305,254) was based on market rates.
- In May 2021, the consolidated entity leased premises from Maas Homebush Pty Ltd, an entity controlled and/or associated with Wesley Maas. The rental charged was based on market rates and commenced after a three-month rent-free period, which ended in July 2021. The rental charge during the 2022 financial year was $491,549.
- During the 2022 financial year, the consolidated entity recovered expenses of $1,786 from Choice Investments Dubbo Pty Ltd, an entity controlled and/or associated with Wesley Maas.
- At the Company's AGM held on 9 November 2021, shareholder approval was obtained for Maas Group Developments Pty Ltd, a wholly-owned subsidiary of the company, to exercise an option with MGFP Holdings Pty Limited as trustee for MGFP Unit Trust to acquire the current Liberal Site at a market value of $6,950,000. MGFP Holdings Pty Limited is jointly controlled by the parents of Wesley Maas and Emma Maas with the underlying beneficial and economic interest in the MGFP Unit Trust also jointly held by the parents of Wesley Maas and Emma Maas.
- At the Company's AGM held on 9 November 2021, shareholder approval was obtained for Maas Group Developments Pty Ltd, a wholly-owned subsidiary of the company, to exercise an option with W&E Maas Holdings Pty Limited as trustee for the Maas Family Trust to purchase all of the shares in MAAS Group Properties Sheraton View Pty Limited at an exercise price of $100. On exercise of the option, Choice Investments (Dubbo) Pty Ltd (an entity controlled and/or associated with Wesley Maas), who paid the first and second instalments of the purchase price and all transaction costs in relation MAAS Group Properties Sheraton View Pty Limited's purchase of the Sheraton Site, was entitled to repayment of these amounts totalling $1,469,854. Wesley and Emma Maas are controlling shareholders of W&E Maas Holdings Pty Limited and beneficiaries of the Maas Family Trust.
- At the Company's AGM held on 9 November 2021, shareholder approval was obtained for Maas Group Developments Pty Ltd, a wholly-owned subsidiary of the company, to purchase all of the shares in Maas Group Properties Bunglegumbie East Pty Ltd at a purchase price of $100. On completion of the share purchase, W&E Maas Holdings Pty Limited acting as trustee for the Maas Family Trust, who funded the deposit and all transaction costs in relation MAAS Group Properties Bunglegumbie East Pty Ltd's purchase of the Bunglegumbie Site, was entitled to repayment of these amounts totalling $158,371. Wesley and Emma Maas are controlling shareholders of W&E Maas Holdings Pty Limited and beneficiaries of the Maas Family Trust.
- During the year the ended 30 June 2021, W & E Maas Holdings Pty Limited (an entity controlled and/or associated with Wesley Maas) sold the remaining shares in related entity MAAS Group Properties Logan Pty Ltd to the consolidated entity for $106,030.

Related party transactions – Stephen Bizzell:

- There is a commercial tenancy agreement for office space and a carpark in Brisbane between the consolidated entity and Mallee Bull Investments Pty Ltd as trustee for the Mallee Bull Property Trust (Mallee Bull Property Trust) for a term of two years from July 2020 at a rental of $900 per month. During the 2021 financial year, $8,681 was paid to Mallee Bull Investments Pty Ltd and at the end of the financial year, $900 was payable. The spouse of Mr Stephen Bizzell, the Company's Chairman, is a director of Mallee Bull Investments Pty Ltd and an ultimate beneficiary of the Mallee Bull Property Trust. The tenancy agreement is on commercial arm's length terms and was entered into prior to Mr Bizzell's appointment as Chairman. There was no rent paid to Mallee Bull Property Trust during the 2022 financial year.
- The consolidated entity provided mining and ancillary services (construction services) by way of a service agreement with Laneway Resources Limited. Stephen Bizzell is a Chairman of the board and substantial shareholder of Laneway Resources Limited. The agreement was negotiated on arms-length, commercial terms prior to Stephen's appointment as a Director and Chairman of MGH. MGH recognised $1,973,016 of construction services revenue during the 2021 financial year.
- On 8 October 2018, the consolidated entity engaged Bizzell Capital Partners Pty Ltd (BCP) to advise on the Company's ASX listing, capital raising processes and acquisitions. Stephen Bizzell is the Chairman and owner of BCP. The engagement of BCP was negotiated on arms' length commercial terms prior to Stephen's appointment as a Director and Chairman of MGH. The parties mutually agreed to terminate the engagement on 5 November 2020 pursuant to a mutual deed of termination. Under the termination deed, MGH paid $473,000 (exclusive of GST) in respect of advisory fees up to 5 November 2020.

Related party transactions – Michael Medway:

- Michael Medway provides consultancy services to the consolidated entity under usual commercial terms. Services included due diligence services with respect to acquisitions of businesses and or assets. The value of the services provided is $79,000 (2021: $9,000).

Aggregate amounts of each of the above types of other transactions with key management personnel of MAAS Group Holdings Limited:

	2022	**2021**
	$	**$**
Amounts recognised as revenue		
Construction services	-	1,973,016
Amounts recognised as an expense		
Advisory services – IPO & acquisitions	79,000	367,688
Consulting fee	-	67,500
Rent	838,631	343,084
Travel	175,872	-
	1,093,503	778,272
Other transactions:		
Acquisition of minority interest in subsidiary	-	106,030
Costs recovered from related party	1,786	-
Unsubscribed DRP shares underwritten by companies associated with the CEO	3,986,640	-
	3,988,426	106,030

	2022	**2021**
	$	**$**
Amounts recognised directly in equity:		
Advisory services – capital raising	-	152,612
Amounts recognised as assets and liabilities:		
At the end of the reporting period the following aggregate amounts were recognised in relation to the above transactions*:*		
Current assets (trade receivables)	-	1,471,519
Current liabilities (amounts payable)	138,556	56,962

There were no other transactions with key management personnel.

Loans to/from key management personnel
There were no loans to or from key management personnel during the 2022 financial year.

2021

Related party entity	KMP related to	Balance at beginning of the year $	Converted into shares $	Net loan payment $	Balance at end of the year $
Choice Investments Dubbo Pty Ltd	Wesley J Maas	24,021,530	-	(24,021,530)	-
Old Man Investments Pty Ltd	Damien Porter	253,903	(253,903)	-	-
		24,275,433	(253,903)	(24,021,530)	-

This concludes the remuneration report.

Shares under option
There were no unissued ordinary shares of MAAS Group Holdings Limited under option outstanding at the date of this report.

Shares under performance rights
Unissued ordinary shares of MAAS Group Holdings Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
23/12/2021	23/12/2022	$0.00	18,868
23/12/2021	23/12/2023	$0.00	18,868
30/06/2022	22/03/2023	$0.00	8,696
30/06/2022	22/03/2024	$0.00	8,696
30/06/2022	22/03/2025	$0.00	8,696
30/06/2022	22/03/2026	$0.00	8,695
30/06/2022	22/03/2027	$0.00	8,695
30/06/2022	30/06/2023	$0.00	33,271
30/06/2022	30/06/2024	$0.00	33,271
30/06/2022	30/06/2025	$0.00	33,271
			181,027

Those granted a performance right, upon vesting, are entitled to receive one ordinary share per performance right held. For further information regarding the issuance and mechanics of the performance rights, refer to note 42 *Share-based payments*.

Shares issued on the exercise of options
There were no ordinary shares of MAAS Group Holdings Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of MAAS Group Holdings Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of Directors, Officers or auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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

During the financial year the company paid a premium to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in a capacity of Director other than conduct involving a wilful breach of duty in relation to the Group. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and the amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

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

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

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

The directors are of the opinion that the services as disclosed in note 33 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants 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.

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

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.

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

____
Stephen G Bizzell
Chairman

____
Wesley J Maas
Managing Director and Chief Executive Officer

18 August 2022
Dubbo

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DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF MAAS GROUP HOLDINGS LIMITED

As lead auditor of MAAS Group Holdings Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of MAAS Group Holdings Limited and the entities it controlled during the period.

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 18 August 2022

MAAS Group Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue	5	517,121	277,562
Share of profits of associates accounted for using the equity method	15	761	-
Other income	6	9,689	1,624
Interest revenue		45	16
Net fair value gain on investment properties	16	18,843	9,284
Expenses			
Purchases of raw materials and consumables used and changes in inventories	12	(254,343)	(134,258)
Bad debts		(301)	(51)
Employee benefits expense		(97,679)	(46,584)
Depreciation and amortisation expense		(30,569)	(15,706)
Transaction costs in connection with the IPO and preparation towards the IPO		-	(1,753)
Transaction costs relating to business combinations		(3,122)	(1,294)
Legal, audit, accounting and consultants		(3,255)	(2,658)
Motor vehicle and plant expenses		(15,182)	(5,972)
Insurance and registration		(6,751)	(3,975)
Repairs and maintenance		(24,960)	(11,178)
Rent - short-term and low-value leases		(681)	(50)
Travel and accommodation		(3,139)	(1,384)
Other expenses		(11,728)	(8,887)
Finance costs	7	(7,178)	(7,495)
Profit before income tax expense		87,571	47,241
Income tax expense	8	(26,009)	(12,499)
Profit after income tax expense for the year		61,562	34,742
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		861	(982)
Other comprehensive income for the year, net of tax		861	(982)
Total comprehensive income for the year		62,423	33,760
Profit for the year is attributable to:			
Non-controlling interest		-	172
Owners of MAAS Group Holdings Limited	27	61,562	34,570
		61,562	34,742
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	172
Owners of MAAS Group Holdings Limited		62,423	33,588
		62,423	33,760
		Cents	**Cents**
Basic earnings per share	41	21.42	14.37
Diluted earnings per share	41	21.26	14.33

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

MAAS Group Holdings Limited
Consolidated statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Assets			
Current assets			
Cash and cash equivalents	9	52,452	17,996
Trade and other receivables	10	86,525	37,745
Contract assets	11	26,785	8,619
Inventories	12	87,895	57,005
Income tax refund due	8	-	1,671
Non-current assets classified as held for sale	13	-	4,280
Other assets	14	13,648	4,409
Total current assets		267,305	131,725
Non-current assets			
Inventories	12	77,599	31,860
Investments accounted for using the equity method	15	8,761	8,000
Investment properties	16	124,600	25,843
Property, plant and equipment	17	322,571	232,997
Intangibles	18	132,642	54,285
Deferred tax asset	8	13,296	4,361
Other assets	14	155	137
Total non-current assets		679,624	357,483
Total assets		946,929	489,208
Liabilities			
Current liabilities			
Trade and other payables	19	67,411	38,253
Contract liabilities	20	17,250	7,038
Borrowings and lease liabilities	21	57,908	35,603
Income tax	8	1,232	-
Employee benefits	22	7,247	4,109
Provisions	23	3,434	1,129
Other - deferred consideration payable		1,261	333
Total current liabilities		155,743	86,465
Non-current liabilities			
Borrowings and lease liabilities	21	271,577	121,281
Deferred tax liability	8	49,824	25,338
Employee benefits	22	499	391
Provisions	23	13,335	1,000
Other - deferred consideration payable		-	333
Total non-current liabilities		335,235	148,343
Total liabilities		490,978	234,808
Net assets		455,951	254,400

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

MAAS Group Holdings Limited
Consolidated statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Equity			
Issued capital	24	432,530	279,635
Other equity	25	3,354	3,354
Reserves	26	(107,556)	(109,186)
Retained profits	27	127,623	80,597
Total equity		455,951	254,400

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

MAAS Group Holdings Limited
Consolidated statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued capital $'000	Other equity $'000	Reserves $'000	Retained profits $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2020	153,643	-	(108,659)	51,326	2,452	98,762
Profit after income tax expense for the year	-	-	-	34,570	172	34,742
Other comprehensive income for the year, net of tax	-	-	(982)	-	-	(982)
Total comprehensive income for the year	-	-	(982)	34,570	172	33,760
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 24)	125,992	-	-	-	-	125,992
Share-based payments (note 42)	-	-	352	-	-	352
Deferred consideration (note 24)	-	3,354	-	-	-	3,354
Transactions with non-controlling interests (note 38)	-	-	103	-	(2,624)	(2,521)
Dividends paid (note 28)	-	-	-	(5,299)	-	(5,299)
Balance at 30 June 2021	279,635	3,354	(109,186)	80,597	-	254,400

Consolidated	Issued capital $'000	Other equity $'000	Reserves $'000	Retained profits $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2021	279,635	3,354	(109,186)	80,597	-	254,400
Profit after income tax expense for the year	-	-	-	61,562	-	61,562
Other comprehensive income for the year, net of tax	-	-	861	-	-	861
Total comprehensive income for the year	-	-	861	61,562	-	62,423
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 24)	152,895	-	-	-	-	152,895
Share-based payments (note 42)	-	-	769	-	-	769
Dividends paid (note 28)	-	-	-	(14,536)	-	(14,536)
Balance at 30 June 2022	432,530	3,354	(107,556)	127,623	-	455,951

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

MAAS Group Holdings Limited
Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		536,271	300,694
Payments to suppliers and employees (inclusive of GST)		(440,487)	(214,049)
		95,784	86,645
Payments for land held for development and resale and development costs (inclusive of GST)		(70,457)	(33,220)
Interest received		45	16
Interest and other finance costs paid		(6,213)	(3,689)
Income taxes paid		(11,708)	(5,474)
Net cash from operating activities	40	7,451	44,278
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	37	(96,314)	(29,665)
Payment for investment in associate	15	-	(8,000)
Payments for investment property		(66,218)	(2,143)
Payments for property, plant and equipment		(59,104)	(38,291)
Payments for intangibles		-	(29)
Payments for non-controlling interest in subsidiary	38	-	(2,520)
Payments for deposits		(792)	(1,402)
Proceeds from disposal of investment properties		3,000	2,769
Proceeds from disposal of property, plant and equipment		9,003	9,670
Net cash used in investing activities		(210,425)	(69,611)
Cash flows from financing activities			
Proceeds from issue of shares		94,653	82,000
Payment for contingent and deferred consideration (long term)	40	(1,323)	(510)
Payment of lease liabilities	40	(13,312)	(8,209)
Net proceeds from/(payments of) borrowings	40	163,339	(39,001)
Share issue transaction costs		(1,509)	(2,054)
Dividends paid		(4,418)	(1,350)
Net cash from financing activities		237,430	30,876
Net increase in cash and cash equivalents		34,456	5,543
Cash and cash equivalents at the beginning of the financial year		17,996	12,453
Cash and cash equivalents at the end of the financial year	9	52,452	17,996

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

Note 1. General information

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

MAAS Group Holdings Limited is an ASX listed company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in note 4 - Operating Segments.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 August 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

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. The adoption of these standards and interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

Basis of preparation

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

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of financial assets at fair value through profit or loss, and investment properties. Assets held for sale are measured at fair value less costs of disposal, with the exception of investment property held for sale which is measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 statements, are disclosed in note 3.

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MAAS Group Holdings Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. MAAS Group Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those 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 de-consolidated from the date that control ceases.

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.

The acquisition of subsidiaries in a business combination is accounted for using the acquisition method of accounting - refer note 37. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Significant accounting policies (continued)

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

Foreign currency translation
Functional and presentation currency
The consolidated financial statements are presented in Australian dollars ($), which is MAAS Group Holdings Limited's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, 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 and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Group companies
The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities are translated at the closing rate at the reporting date
- income and expenses for each statement of profit or loss and other 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 entities, 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, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Financial instruments
Investments and other financial assets

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 ("OCI"), or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. 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 (FVOCI). The consolidated entity reclassifies debt investments when and only when its business model for managing those assets changes.

Note 2. Significant accounting policies (continued)

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 (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Measurement of cash and cash equivalents and trade and other receivables are measured at amortised cost.

Cash and cash equivalents
Refer to note 9.

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 into 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The consolidated entity subsequently measures all equity investments at fair value. The consolidated entity measures its investments in equity instruments at FVPL. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss and other comprehensive income as applicable.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

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

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

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

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets
At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Finance costs
Finance costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets. The capitalisation rate used to determine the amount of finance costs to be capitalised to qualifying assets is the weighted average interest rate applicable to the entity's borrowings during the period.

Finance costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and certain exchange differences arising from foreign currency borrowings.

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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

Allowance for expected credit losses
The allowance for expected credit losses assessment for trade receivables and contract assets requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the COVID-19 pandemic and forward-looking information that is available. Refer to note 10 for further information.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. There was no adjustment required to the estimated useful lives of any assets during the financial year (2021: no adjustment).

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 18 for further information.

Investment properties
Investment properties are revalued annually by independent professional valuers or periodically at Directors' valuation. The critical inputs underlying the estimated fair value of investment properties are contained in note 30. Any change in these inputs may impact the fair value of the investment properties. The fair value assessment of the investment properties includes the best estimate of the impacts of the COVID-19 pandemic using information available at the reporting date.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions including the best estimate of the impacts of the COVID-19 pandemic using information available at the reporting date.

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

Business Combinations
(i) Deferred consideration and contingent consideration
The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. Contingent consideration included in Provisions (note 23), is measured at fair value and has been estimated using present value techniques by discounting the probability-weighted estimated cashflows. The future cashflows are contingent on certain hurdles being met in the future and where contingent consideration includes a variable number of shares, the contingent liability fair value is affected by the fluctuations in the company's share price (on date of acquisition and each reporting date). The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 *Business Combinations*. Thereafter, at each reporting date, the contingent consideration liability is reassessed against revised estimates and any increase or decrease in the fair value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the deferred consideration liability resulting from the passage of time is recognised as a finance cost.

(ii) Fair value of net assets acquired
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported. Refer to note 37 for further information.

Note 4. Operating segments

Identification of reportable operating segments
The reportable segments of the business are as follows:

Segment	Description of segment
1. Real Estate	- Residential Development: develops, builds and sells residential housing estates - Commercial Construction: builds and constructs commercial developments - Commercial Development and Investment: delivers commercial property and industrial developments, and investing in commercial real estate
2. Civil, Construction and Hire	- Civil Construction: civil infrastructure construction, roads, dams and mining infrastructure - Plant Hire and Sales: above and underground plant hire for major infrastructure and tunnelling projects - Electrical Services: electrical infrastructure, communications and specialised services - Underground Equipment Hire and Repair: hires, maintains, rebuilds and sells second-hand mobile equipment for civil tunnelling and underground hard rock mining
3. Manufacturing	- Manufacturing, sales and distribution of underground construction and mining equipment and parts
4. Construction Materials	- Quarries: supply of quarry materials to construction projects - Crushing and Screening: mobile crushing and screening for quarries, civil works and mining - Geotechnical services
Other	- This includes head office.

The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Segment assets
Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment liabilities
Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

Major customers
For the year ended 30 June 2022, there was no customer who contributed more than 10% to the consolidated entity's revenue. For the year ended 30 June 2021, there was one customer who contributed more than 10% to the consolidated entity's revenue.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2022	Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Other $'000	Eliminations and adjustments $'000	Total $'000
Revenue							
Sales to external customers	161,076	221,273	19,462	108,082	-	-	509,893
Intersegment sales	6,533	30,560	317	6,481	-	(43,891)	-
Total sales revenue	167,609	251,833	19,779	114,563	-	(43,891)	509,893
Other revenue	2,762	440	(2)	4,028	-	-	7,228
Interest revenue	13	2	23	7	-	-	45
Total revenue	170,384	252,275	19,800	118,598	-	(43,891)	517,166
Adjusted EBITDA*	53,242	49,782	1,791	27,331	(1,933)	(1,409)	128,804
Depreciation and amortisation	(354)	(17,930)	(1,432)	(11,170)	(2)	319	(30,569)
Interest revenue	13	2	23	7	-	-	45
Finance costs	(529)	(1,786)	(403)	(1,192)	(3,268)	-	(7,178)
Transaction costs relating to business combinations	-	(8)	-	(253)	(2,861)	-	(3,122)
Other non-recurring expenses	-	-	-	-	(409)	-	(409)
Profit/(loss) before income tax expense	52,372	30,060	(21)	14,723	(8,473)	(1,090)	87,571
Income tax expense							(26,009)
Profit after income tax expense							61,562
Assets							
Segment assets	334,670	306,882	47,312	236,283	24,429	(2,647)	946,929
Total assets							946,929
Total assets includes:							
Investments in associates	8,761	-	-	-	-	-	8,761
Acquisition of non-current assets	179,679	70,546	115	82,114	-	(777)	331,677
Liabilities							
Segment liabilities	90,414	124,691	13,061	72,832	187,822	2,158	490,978
Total liabilities							490,978

* Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events.

Note 4. Operating segments (continued)

Consolidated - 2021	Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Other $'000	Eliminations and adjustments $'000	Total $'000
Revenue							
Sales to external customers	53,271	161,542	21,911	36,392	-	-	273,116
Intersegment sales	-	20,192	1,299	5,261	-	(26,752)	-
Total sales revenue	53,271	181,734	23,210	41,653	-	(26,752)	273,116
Other revenue	2,036	1,085	57	1,277	-	(9)	4,446
Interest revenue	12	2	1	-	1	-	16
Total revenue	55,319	182,821	23,268	42,930	1	(26,761)	277,578
Adjusted EBITDA*	21,855	36,531	4,847	13,402	(780)	(2,040)	73,815
Depreciation and amortisation	(44)	(10,897)	(1,100)	(4,324)	-	659	(15,706)
Interest revenue	12	2	1	-	1	-	16
Finance costs	(481)	(2,038)	(472)	(729)	(3,458)	(317)	(7,495)
Transaction costs in connection with the IPO	-	-	-	-	(1,753)	-	(1,753)
Transaction costs relating to business combinations	-	-	-	(574)	(720)	-	(1,294)
Other non-recurring expenses	-	(342)	-	-	-	-	(342)
Profit/(loss) before income tax expense	21,342	23,256	3,276	7,775	(6,710)	(1,698)	47,241
Income tax expense							(12,499)
Profit after income tax expense							34,742
Assets							
Segment assets	102,238	226,310	40,144	120,375	3,383	(3,242)	489,208
Total assets							489,208
Total assets includes:							
Investments in associates	8,000	-	-	-	-	-	8,000
Acquisition of non-current assets	32,472	39,599	173	37,367	-	-	109,611
Liabilities							
Segment liabilities	26,145	108,680	15,049	47,803	37,442	(311)	234,808
Total liabilities							234,808

* Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events.

Geographical information

For the financial year ended 30 June 2022, revenue from external customers attributed to foreign countries amounted to $9.137m (30 June 2021: $16.340m). This related to the sales of underground equipment and toll manufacturing from the Manufacturing segment. Countries where revenue from the sale of underground equipment directly and through international distribution networks included Mongolia, Indonesia, Papua New Guinea and New Zealand. No revenues attributed to an individual foreign country is material.

The total non-current assets, other than financial instruments and deferred tax assets, located in Australia amounted to $657.620m (2021 - $353.418m) and non-current assets located in foreign countries (Vietnam and Indonesia) amounted to $9.554m (2021 - $9.664m). No non-current assets in an individual foreign country are material.

Accounting policy for operating segments

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

Note 5. Revenue

	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue from contracts with customers		
Construction - civil infrastructure (i)	63,384	34,465
Construction - residential & commercial (i)	88,070	14,770
Electrical service (i)	47,989	40,796
Repairs (i)	1,886	1,714
Sale of goods - plant, equipment, parts, building materials, road-base and aggregates (ii)	171,762	101,830
Land development and resale (ii)	64,685	38,501
Geotechnical services (ii)	19,374	6,940
	457,150	239,016
Other revenue		
Equipment and machinery hire	52,743	34,100
Management fees	-	1,440
Rent	2,164	484
Other revenue	5,064	2,522
	59,971	38,546
Revenue	517,121	277,562

Disaggregation of revenue

The consolidated entity derives revenue from the transfer of goods and services over time and at a point in time for all major revenue sources indicated above. Revenue from contracts with customers is derived from the sale of goods and services to global customers located in countries including Australia, Vietnam, Indonesia, Mongolia, Papua New Guinea and New Zealand. Management does not review revenue by country. Refer to note 4 for disaggregation of revenue by geographical region.

(i) Revenue recognised over time
(ii) Revenue recognised at a point in time

Included in the following tables are reconciliations of the disaggregated revenue and other income with the consolidated entity's reportable segments (refer note 4).

	Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Eliminations $'000	Total $'000
2022						
Construction - civil infrastructure	-	91,131	-	-	(27,747)	63,384
Construction - residential & commercial	94,603	-	-	-	(6,533)	88,070
Electrical service	-	47,989	-	-	-	47,989
Repairs	-	1,886	-	-	-	1,886
Sale of goods - plant, equipment, parts, building materials, road-base and aggregates	8,321	57,285	19,779	94,427	(8,050)	171,762
Land development and resale	64,685	-	-	-	-	64,685
Geotechnical services	-	-	-	19,374	-	19,374
Revenue from contracts with customers	167,609	198,291	19,779	113,801	(42,330)	457,150
Equipment and machinery hire	-	53,542	-	762	(1,561)	52,743
Total sales revenue per segment	167,609	251,833	19,779	114,563	(43,891)	509,893

Note 5. Revenue (continued)

	Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Eliminations $'000	Total $'000
2022						
Other revenue	2,762	53,982	(2)	4,790	(1,561)	59,971
Equipment and machinery hire disclosed in sales revenue per segment	-	(53,542)	-	(762)	1,561	(52,743)
Total other revenue per segment	2,762	440	(2)	4,028	-	7,228

	Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Eliminations $'000	Total $'000
2021						
Construction - civil infrastructure	-	50,168	-	-	(15,703)	34,465
Construction - residential & commercial	14,770	-	-	-	-	14,770
Electrical service	-	42,032	-	-	(1,236)	40,796
Repairs	-	1,714	-	-	-	1,714
Sale of goods - plant, equipment, road-base and aggregates	-	54,995	23,210	31,941	(8,316)	101,830
Land development and resale	38,501	-	-	-	-	38,501
Geotechnical services	-	-	-	6,940	-	6,940
Revenue from contracts with customers	53,271	148,909	23,210	38,881	(25,255)	239,016
Equipment and machinery hire	-	32,825	-	2,772	(1,497)	34,100
Total sales revenue per segment	53,271	181,734	23,210	41,653	(26,752)	273,116

	Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Eliminations $'000	Total $'000
2021						
Other revenue	2,036	33,910	57	4,049	(1,506)	38,546
Equipment and machinery hire disclosed in sales revenue per segment	-	(32,825)	-	(2,772)	1,497	(34,100)
Total other revenue per segment	2,036	1,085	57	1,277	(9)	4,446

Accounting policy for revenue recognition
Construction - civil infrastructure
The consolidated entity derives revenue from the construction of civil infrastructure projects, including roads, railways, tunnels, water, energy and resources facilities across Australia. Contracts entered into may be for the construction of one or several separate stages in a project (deliverables). The construction of each individual deliverable is generally taken to be one performance obligation. Where contracts are entered for the building of deliverables, the total transaction price is allocated across each deliverable based on stand-alone selling prices. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration, discussed below.

Note 5. Revenue (continued)

The performance obligation is fulfilled over time and as such revenue is recognised over time. As work is performed on the assets being constructed they are controlled by the customer and have no alternative use to the consolidated entity, with the consolidated entity having a right to payment for performance to date.

Generally, contracts identify various inter-linked activities required in the construction process. Revenue is recognised on the measured output of each process based on appraisals that are agreed with the customer on a regular basis.

Revenue earned is typically invoiced monthly or in some cases on achievement of milestones or to match major capital outlay.

Invoices are paid on normal commercial terms, which may include the customer withholding a retention amount until finalisation of the construction. Certain construction projects entered into receive payment prior to work being performed in which case revenue is deferred on the statement of financial position.

Construction - residential & commercial
The consolidated entity derives revenue from the construction of residential houses and commercial developments in the NSW and ACT areas. Contracts entered into for the construction of a residential dwelling or commercial developments are to be taken to be one performance obligation and a stand-alone selling price. The performance obligation is fulfilled over time and as such revenue is recognised over time. As work is performed on the assets being constructed they are controlled by the customer and have no alternative use to the consolidated entity, with the consolidated entity having a right to payment for performance to date.

Generally, contracts identify various inter-linked activities required in the construction process. Revenue is recognised on the measured input, being stage of completion of costs incurred against budgeted costs. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

Customers are invoiced based on the achievement of milestones (included in the contract). Payment is received following invoice on normal commercial terms. At reporting date, the amounts invoiced are likely to differ from the stage of completion. The difference is recognised as either a contract asset or contract liability.

Equipment and machinery hire
The consolidated entity generates revenue from the provision of dry hire and wet hire of plant and equipment to many infrastructure projects throughout Australia. Contracts include separate mobilisation and demobilisation fees and a schedule of rates for the dry hire or wet hire. Dry hire revenue is generated from hire of equipment only, no supply of driver, maintenance or fuel, whereas wet hire includes a driver and can include maintenance services and fuel.

These form of contracts may vary in scope however all wet hires have one common performance obligation, being the provision of equipment and driver to the customer which includes mobilisation and dismantling, and maintenance services and any ancillary materials that are required to fulfil the obligation.

The mobilisation fees, maintenance services and ancillary materials are generally taken to be one performance obligation as the customer does not benefit from these services on its own, are not considered distinct and therefore are grouped with other items in the contract, being the hire of equipment.

Equipment and machinery rental periods are typically short-term and is recognised at fixed rates over the period of hire. Customers are in general invoiced on a monthly basis and payment is received following invoice on normal commercial terms.

Electrical service revenue
The consolidated entity performs electrical services specialising in underground and overhead power line construction and High Voltage and Low Voltage cable jointing for supply authorities and mining professionals. Contracts may include multiple processes required to be performed for each milestone set in the project. Milestones may be performed by the Group or by other contractors employed by the customer and as such are accounted for as separate obligations. The transaction price is allocated to each performance obligation based on the stand-alone selling price. The total transaction price may include a variable pricing element which is accounted for in accordance with the policy on variable consideration.

Performance obligations are fulfilled over time with revenue recognised in the accounting period in which the electrical services are rendered based on the amount of the expected transaction price allocated to each performance obligation as the customer continues to control the asset as it is enhanced.

Customers are typically invoiced on a monthly basis for an amount that is calculated on a schedule of rates that is aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Note 5. Revenue (continued)

Service revenue: repairs
The consolidated entity performs repairs to machinery in the underground mining, tunnelling, civil construction and rail industries. Contracts include a schedule of rates that is aligned with the stand alone selling prices of the service provided. The performance obligation is fulfilled over time and as such revenue is recognised over time because the customer simultaneously receives and consumes the benefits provided by the entity's performance. Revenue is recognised on the measured output with reference to the services performed to date.

Customers are typically invoiced on a monthly basis for an amount that is calculated on a schedule of rates that is aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Sales of goods – plant, equipment, parts, road-base and aggregates
The consolidated entity sells plant, equipment, parts, road-base and aggregates. Sale of these goods usually contains only one performance obligation, with revenue recognised at the point in time when the material is transferred to the customer. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when the goods have been transferred to the customer.

Land development and resale
The consolidated entity develops and sells residential properties in NSW. Property revenue is recognised when control over the property has been transferred to the customer. This is generally at the point when legal title has transferred to the customer as properties are not developed based on the specific needs of individual customers. The revenue is measured at the transaction price agreed under the contract.

Geotechnical services
The consolidated entity provides a range of Geotechnical consulting services to its clients including onsite earthworks testing, lab materials testing, geotechnical investigations & drilling, and concrete testing. Individual contracts are typically short-term in nature and relate to a discrete project or asset. Revenue is recognised in the accounting period in which the services are rendered, at a point-in-time when the results are provided to the client (the performance obligation). Payment is generally due within 30 days from completion of the services. Consulting services are generally short-term in nature with most contracts completed within 30 days.

Manufacturing sales
The consolidated entity recognises a contract asset over the period in which the performance obligation is fulfilled and recognises contract liabilities arise where payments are received prior to work being performed. Revenue is recognised at the point in time when the manufactured machine is transferred to the customer. Manufacturing sales are included in Sale of goods - plant, equipment, parts, road-base and aggregates revenue stream.

Variable consideration
It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The consolidated entity assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

Contract assets and liabilities
AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets are balances due from customers under contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the entity's right to consideration for the services transferred to date. Amounts are generally reclassified to receivables when these have been certified or invoiced to a customer. Contract liabilities arise where payment is received prior to work being performed.

Financing components
The consolidated entity does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the consolidated entity does not adjust any of the transaction prices for the time value of money.

Warranties and defect periods
Generally construction and services contracts include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and therefore estimated and included in the total costs of the contracts. Where required, amounts are recognised accordingly in line with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

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

Note 5. Revenue (continued)

Dividends and interest
Dividend revenue is recognised when the right to receive a dividend has been established, and interest revenue is recognised using the effective interest method.

Rent
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Management fees
The consolidated entity manages and sells land held by MAAS Group Family Property entities (outside of the consolidated group) on their behalf and in return the consolidated entity receives a management fee. Management fees are fixed and based on a per lot sold basis and are recognised when a lot of land is sold. The arrangement concluded during the 2021 financial year.

Note 6. Other income

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Net gain on disposal of property, plant and equipment	2,649	952
Net fair value gain on financial assets at fair value through profit or loss	-	10
Insurance recoveries	305	141
Net reimbursement of expenses	189	45
Fair value gain on remeasurement of contingent consideration (note 23)	6,546	-
Net gain on disposal of investment properties held for sale	-	80
Write back of provision for expected credit loss	-	396
Other income	9,689	1,624

Note 7. Expenses

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Profit before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable on borrowings	4,248	5,137
Interest and finance charges paid/payable on lease liabilities and chattel mortgages	2,930	2,358
Finance costs expensed	7,178	7,495
Superannuation expense		
Defined contribution superannuation expense	7,180	3,425
Share-based payments expense		
Share-based payments expense - employee benefits	769	352

Note 8. Income tax

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Income tax expense		
Current tax	13,085	4,723
Deferred tax - origination and reversal of temporary differences	12,924	8,758
Adjustment recognised for prior periods	-	(982)
Aggregate income tax expense	26,009	12,499
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(3,548)	(547)
Increase in deferred tax liabilities	16,472	9,305
Deferred tax - origination and reversal of temporary differences	12,924	8,758
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	87,571	47,241
Tax at the statutory tax rate of 30%	26,271	14,172
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	(690)	-
Other non-deductible expenses	253	337
	25,834	14,509
Adjustment recognised for prior periods	-	(982)
Difference in overseas tax rates	175	(1,028)
Income tax expense	26,009	12,499

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Amounts credited directly to equity		
Aggregate current and deferred tax arising in the period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity		
Deferred tax in relation to share issue costs (note 19)	(303)	(616)

Note 8. Income tax (continued)

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Carried forward losses acquired through business combinations	2,460	-
Property, plant and equipment	4,996	773
Employee benefits	2,316	1,160
Provisions	1,949	205
Transaction/issuance costs	967	1,447
Other	608	776
Deferred tax asset	13,296	4,361
Movements:		
Opening balance	4,361	2,459
Credited to profit or loss	3,548	547
Credited to equity	2,904	616
Additions through business combinations (note 37)	2,483	739
Closing balance	13,296	4,361

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	44,717	23,961
Deferred/contingent consideration	1,889	-
Customer contracts/relationships	2,209	1,355
Other	1,009	22
Deferred tax liability	49,824	25,338
Movements:		
Opening balance	25,338	14,089
Charged to profit or loss	16,472	9,305
Charged to equity	2,601	-
Additions through business combinations (note 37)	5,413	1,944
Closing balance	49,824	25,338

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Income tax refund due		
Income tax refund due	-	1,671

Note 8. Income tax (continued)

	Consolidated	
	2022	2021
	$'000	$'000
Provision for income tax		
Provision for income tax	1,232	-

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

MAAS Group Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

The company, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the company recognising an inter-entity payable (receivable) equal in amount to the tax liability (asset) assumed. The inter-entity payable (receivable) is at call. Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity’s obligation to make payments for tax liabilities to the relevant tax authorities.

The company, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Note 9. Cash and cash equivalents

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Current assets		
Cash on hand	20	-
Cash at bank	52,432	17,996
	52,452	17,996

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

Note 10. Trade and other receivables

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Current assets		
Financial assets at amortised cost:		
Trade receivables	77,263	34,019
Other receivables	8,506	3,726
GST receivable	756	-
	86,525	37,745

Allowance for expected credit losses
Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Opening balance	-	760
Additional provisions recognised	301	-
Amounts received	-	(360)
Receivables written off during the year as uncollectable	(301)	-
Unused amounts reversed	-	(400)
Closing balance	-	-

*Allowance for expected credit losses provision raised during the year exhausted upon write off of bad debts.

Accounting policy for trade and other receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The consolidated entity holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(a) Fair values of trade and other receivables
Due to the short term nature of the current receivables, the carrying amount is considered to be the same as their fair value.

Note 10. Trade and other receivables (continued)

(b) Other receivables at amortised cost
These amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Interest is charged at commercial rates where the repayment exceeds 12 months. Collateral is not normally obtained. The non-current receivables are due and payable within 2 years from the end of the reporting period.

(c) Impairment and risk exposure
Note 29 sets out information of financial assets and exposure to credit risk.

Refer note 29 for the consolidated entity's exposure to foreign currency risk.

Note 11. Contract assets

	Consolidated	
	2022 $'000	2021 $'000
Current assets		
Contract assets	26,785	8,619

The increase in contract assets of $18.166m was driven by both the Civil, Construction and Hire, and Real Estate Segments. In the Civil, Construction and Hire segment, increased activity in later months of the year along with the timing of invoices issued resulted in the higher contract asset movement. In the Real Estate segment, acquisition of commercial and residential builders such as David Payne Constructions, Maas Brothers and Brett Harvey Designs led to an increased number and value of projects under construction when compared to 2021.

Accounting policy for 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.

Note 12. Inventories

	Consolidated	
	2022 $'000	2021 $'000
Current assets		
Raw materials - at cost	6,868	7,668
Finished goods - at cost	27,560	6,757
Land held for development and resale	23,460	18,810
Machines held for resale - at cost	30,007	23,770
	87,895	57,005
Non-current assets		
Land held for development and resale	77,599	31,860
Total inventories	165,494	88,865

Amounts recognised in profit or loss

	Consolidated	
	2022 $'000	2021 $'000
Inventories recognised as an expense during the year included in cost of sales and cost of providing services	262,008	127,307

Accounting policy for inventories
Inventories are carried at the lower of cost and net realisable value and comprise of the following:

Note 12. Inventories (continued)

- Land held for development and resale
Cost includes the costs of acquisition, development and holding costs such as rates, taxes and finance costs. Holding costs on property developments not under active development are expensed as incurred. Land held for development and resale not expected to be realised within the next 12 months has been classified as non-current.

- Raw materials, finished goods and parts
Raw materials, finished goods and parts are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Costs of purchased inventory are determined after deducting 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 selling expenses.

Note 13. Non-current assets classified as held for sale

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Current assets		
Investment properties - at fair value	-	4,280

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

	2022 $'000	2021 $'000
Opening balance	4,280	6,964
Transfers to investment properties (note 16)	(1,280)	-
Additions	12	-
Properties sold	(3,012)	(2,684)
Closing balance	-	4,280

The investment properties held for sale at 30 June 2021 consisted of:
(i) A commercial property with a fair value of $3.000m, situated in Rutherford NSW. This property was sold during the 2022 financial year.
(ii) A commercial property with a fair value of $1.280m, situated in Emerald QLD. This property was transferred to investment property in the 2022 financial year.

The assets are presented within total assets of the Real Estate segment in note 4.

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

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

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

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

Note 14. Other assets

	Consolidated	
	2022 $'000	**2021 $'000**
Current assets		
Prepaid expenses	4,830	1,992
Deposits	7,100	1,768
Other current assets	1,718	649
	13,648	4,409
Non-current assets		
Security deposits	154	130
Other non-current assets	1	7
	155	137
Total other assets	13,803	4,546

Note 15. Investments accounted for using the equity method

	Consolidated	
	2022 $'000	**2021 $'000**
Non-current assets		
Investment in associate	8,761	8,000

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

Opening carrying amount	8,000	-
Profit after income tax	761	-
Additions - investment in associate	-	8,000
Closing carrying amount	8,761	8,000

Interests in associates
In May 2021, the company acquired a 45.7% interest in the 1990 Elizabeth Property Unit Trust ("1990 Trust") which holds a development site in the Western Sydney Airport precinct at Badgery's Creek. The company is guaranteed two seats on the board of the trustee of the 1990 Trust and participates in significant and financial operating decisions. Although the company does not have control of the Trust, it does have significant influence.

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2022 %**	**2021 %**
1990 Elizabeth Property Unit Trust	Australia	45.71%	45.71%

Note 15. Investments accounted for using the equity method (continued)

Summarised financial information
The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not MGH's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	2022 $'000	2021 $'000
Summarised statement of financial position		
Current assets	360	854
Non-current assets	19,026	16,646
Total assets	19,386	17,500
Current liabilities	220	-
Total liabilities	220	-
Net assets	19,166	17,500
Summarised statement of profit or loss and other comprehensive income		
Revenue	128	-
Net fair value gain on investment property	1,874	-
Expenses	(337)	(137)
Profit/(loss) before income tax	1,665	(137)
Other comprehensive income	-	-
Total comprehensive income	1,665	(137)
Reconciliation of the consolidated entity's carrying amount		
Consolidated entity's share of net assets (45.71%)	8,761	8,000
Closing carrying amount	8,761	8,000

Accounting policy for associates
Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

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

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 16. Investment properties

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Non-current assets		
Investment properties - at fair value	69,849	25,645
Investment properties under construction - at cost	54,751	198
	124,600	25,843

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

Balance at 1 July	25,843	14,416
Additions	72,856	2,143
Additions through business combinations (note 37)	16,171	-
Transfer from non-current assets held for sale (note 13)	1,280	-
Fair value gain - commercial real estate assets	14,515	9,284
Fair value gain - residential real estate build-to-rent assets	4,328	-
Transfer to inventory	(10,393)	-
Balance at 30 June	124,600	25,843

Amounts recognised in profit or loss for investment properties

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Rental income	2,350	482
Direct operating expenses from property that generated rental income	(385)	(354)
Direct operating expenses from property that did not generate rental income	(282)	(142)

Significant estimate - Valuations of investment properties
Refer to note 30 for further information on fair value measurement.

Leasing arrangements
The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the consolidated entity may obtain bank guarantees for the term of the lease.

Although the consolidated entity is exposed to changes in the residual value at the end of the current leases, the consolidated entity typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Minimum lease payments receivable on leases of investment properties are as follows:

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Within 1 year	2,728	485
Between 1 and 2 years	2,559	485
Between 2 and 3 years	2,486	485
Between 3 and 4 years	2,171	425
Between 4 and 5 years	1,866	73
	11,810	1,953

Note 16. Investment properties (continued)

Accounting policy for investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to inventories are determined by a change in use evidenced by internal and external factors. During the period, the group transferred parcels of RAAF Base Dubbo to inventory following lot registration and sub-division as well as Build-to-Rent land to investment property following the emergence of Build-to-Rent Investment Trusts and lease agreements. The fair value on the date of change of use from investment properties to inventories and vice-versa is deemed the cost for the subsequent accounting.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Note 17. Property, plant and equipment

	Consolidated	
	2022 $'000	2021 $'000
Non-current assets		
Quarry land - at cost	43,582	28,730
Less: Accumulated amortisation	(901)	(492)
	42,681	28,238
Land and buildings - at cost	38,675	33,015
Less: Accumulated depreciation	(4,404)	(2,484)
	34,271	30,531
Hire machinery and equipment - at cost	123,307	111,153
Less: Accumulated depreciation	(26,000)	(17,174)
	97,307	93,979
Plant and equipment - at cost	140,817	68,999
Less: Accumulated depreciation	(30,170)	(10,301)
	110,647	58,698
Motor vehicles - at cost	24,872	20,293
Less: Accumulated depreciation	(8,052)	(6,032)
	16,820	14,261
Assets under construction - at cost	20,845	7,290
	322,571	232,997

Note 17. Property, plant and equipment (continued)

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

Consolidated	Quarry land $'000	Land and Buildings $'000	Hire equipment and machinery $'000	Plant and equipment $'000	Motor vehicles $'000	Assets under construction $'000	Total $'000
Balance at 1 July 2020	18,362	23,648	78,467	24,482	10,590	12,672	168,221
Additions	5,351	5,479	20,552	15,457	3,820	11,355	62,014
Additions through business combinations (note 37)	4,200	3,785	-	16,738	1,992	-	26,715
Disposals	-	(2)	(4,507)	(3,368)	(761)	-	(8,638)
Transfers from/(to) inventory	-	-	(1,515)	1,945	(450)	(212)	(232)
Exchange differences	-	(339)	-	(575)	-	-	(914)
Transfers in/(out)	613	(525)	7,057	8,694	686	(16,525)	-
Depreciation expense	(288)	(1,515)	(6,075)	(4,675)	(1,616)	-	(14,169)
Balance at 30 June 2021	28,238	30,531	93,979	58,698	14,261	7,290	232,997
Additions	66	1,666	12,378	6,110	4,395	36,061	60,676
Additions through business combinations (note 37)	14,840	4,882	-	39,538	1,234	-	60,494
Disposals	-	-	(3,041)	(2,333)	(837)	(143)	(6,354)
Transfers from/(to) inventory	-	68	41	9	-	(180)	(62)
Exchange differences	-	427	-	70	-	-	497
Transfers in/(out)	-	(887)	3,827	18,875	91	(21,906)	-
Depreciation expense	(463)	(2,416)	(9,877)	(10,320)	(2,324)	(277)	(25,677)
Balance at 30 June 2022	42,681	34,271	97,307	110,647	16,820	20,845	322,571

Right-of-use assets and assets secured by chattel mortgage included in property, plant & equipment is summarised below:

Right-of-use assets:

	Land and buildings $'000	Hire equipment and machinery $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2020	6,977	59,991	6,203	6,945	80,116
Additions	5,059	12,597	1,188	2,129	20,973
Additions through business combinations	1,195	-	-	-	1,195
Disposals	-	(1,359)	(374)	(40)	(1,773)
Transfers out	-	(2,528)	85	-	(2,443)
Reallocation of assets secured by chattel mortgage	-	(25,810)	(1,371)	(3,534)	(30,715)
Depreciation expense	(1,166)	(2,900)	(443)	(372)	(4,881)
Balance at 30 June 2021	12,065	39,991	5,288	5,128	62,472
Additions	1,572	-	-	-	1,572
Additions through business combinations	2,132	-	-	-	2,132
Disposals	-	(1,417)	-	(301)	(1,718)
Depreciation expense	(2,026)	(7,431)	(4,379)	(1,523)	(15,359)
Balance at 30 June 2022	13,743	31,143	909	3,304	49,099

Note 17. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment
All property, plant and equipment except for land and assets under construction, are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised through profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation:
The depreciable amount of all fixed assets including land improvements & buildings, but excluding freehold land, is depreciated on either the diminishing value method or units of production method over the asset's useful life to the consolidated entity commencing from the time the asset is held ready for use. Estimated useful lives for each class of depreciable asset are as follows:

Buildings	2-10 years
Leasehold improvements	20-25 years
Hire equipment and machinery	3-10 years
Plant and equipment	3-10 years
Motor vehicles	4-8 years

Quarry land is amortised based on the rate of depletion of reserves as compared to the estimate of the total economically recoverable reserves over the life of the quarry.

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

Buildings, plant and equipment, and motor vehicles under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. If the consolidated entity is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying assets useful life.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

Accounting policy for 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 (without extension option) and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 18. Intangibles

	Consolidated 2022 $'000	Consolidated 2021 $'000
Non-current assets		
Goodwill - at cost	81,484	34,682
Brand names - at cost	30,572	9,192
Customer contracts/relationships - at cost	14,230	8,470
Less: Accumulated amortisation	(5,138)	(1,873)
	9,092	6,597
Extraction rights - at cost	13,786	4,479
Less: Accumulated amortisation	(2,516)	(889)
	11,270	3,590
Water licence - at cost	224	224
	132,642	54,285

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

Consolidated	Goodwill $'000	Brand names $'000	Customer contracts/ relationships $'000	Extraction rights $'000	Water licence $'000	Total $'000
Balance at 1 July 2020	33,123	2,492	1,225	3,250	224	40,314
Additions	-	-	-	29	-	29
Additions through business combinations	1,559	6,700	6,020	1,200	-	15,479
Amortisation expense	-	-	(648)	(889)	-	(1,537)
Balance at 30 June 2021	34,682	9,192	6,597	3,590	224	54,285
Additions through business combinations (note 37)	46,802	21,380	5,760	9,307	-	83,249
Amortisation expense	-	-	(3,265)	(1,627)	-	(4,892)
Balance at 30 June 2022	81,484	30,572	9,092	11,270	224	132,642

Impairment testing for goodwill and intangibles with indefinite lives:
The calculations use cash flow projections based on cash flow forecasts covering a five-year period. The cash flows are based on past results adjusted for current market conditions and known contracts. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Note 18. Intangibles (continued)

Goodwill and indefinite-lived intangible assets are monitored by management at the following level:

	Goodwill $'000	Indefinite-lived intangible assets $'000	Total $'000
2022			
Construction Materials	3,261	7,560	10,821
Electrical	10,804	8,040	18,844
Homes Constructions	7,010	2,230	9,240
Commercial Constructions	25,243	6,500	31,743
Commercial Developments	1,954	-	1,954
Manufacturing	8,399	2,492	10,891
Civil & Plant Hire	23,533	1,600	25,133
Building supplies	1,280	2,150	3,430
Total goodwill and indefinite lived intangible assets	81,484	30,572	112,056

The Construction Materials and Manufacturing CGUs remain unchanged from the comparative period and represent their respective operating segments. Given the consolidated entity is structured in a vertically integrated manner, much of the consolidated entity's assets are used to generate cashflows that are not independent from other assets of the consolidated entity. During the period, the vertically integrated nature of cash flows has driven a realignment and renaming of CGUs within existing operating segments. The Civil & Plant Hire CGU represents the Plant Hire & Machinery Sales CGUs noted in the comparative period as well as acquisitions during the financial year, this CGU operates within the Civil, Construction and Hire operating Segment. The Homes Construction CGU represents the MAAS Homes CGU noted in the comparative period as acquisitions during the financial year, this CGU operates within the Real Estate Segment. The Electrical CGU represents the Large Industries CGU noted in the comparative period as acquisitions during the financial year, this CGU operates within the Civil, Construction and Hire operating Segment. As a result of acquisitions and new operating activities during the period, three new CGUs existed in the Real Estate operating segment. These are Commercial Constructions, Commercial Developments and Building Supplies.

	Goodwill $'000	Indefinite-lived intangible assets $'000	Total $'000
2021			
Construction Materials	2,349	6,700	9,049
Large Industries	1,266	-	1,266
MAAS Homes	1,460	-	1,460
Machinery Sales	4,609	-	4,609
Manufacturing	8,399	2,492	10,891
Plant Hire	16,599	-	16,599
Total goodwill and indefinite lived intangible assets	34,682	9,192	43,874

The following tables sets out the key assumptions for the value in use:

	Sales growth rate (a) %	Long term growth rate (b) %	Pre-tax discount rate (c) %
2022			
Construction Materials	3%	3%	11.6%
Electrical	3%	3%	10.7%
Homes Constructions	3%	3%	11.5%
Commercial Constructions	3%	3%	11.2%
Commercial Developments	3%	3%	11.2%
Manufacturing	3%	3%	15.5%
Civil & Plant Hire	3%	3%	10.7%
Building supplies	3%	3%	11.2%

Note 18. Intangibles (continued)

	Sales growth rate (a) %	Fixed costs per annum (d) $	Annual capital expenditure (e) $	Long term growth rate (b) %	Pre-tax discount rate (c) %
2021					
Construction Materials	3%	3,000,000	5,000,000	1%	11.0%
Large Industries	3%	6,000,000	1,700,000	1%	11.5%
MAAS Homes	3%	1,400,000	-	1%	10.0%
Machinery Sales	3%	1,200,000	-	1%	11.5%
Manufacturing	3%	5,500,000	-	1%	13.5%
Plant Hire	3%	4,000,000	5,000,000	1%	11.5%

(a) The annual sales growth rate is based on past performance and management's expectations of market development.
(b) This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
(c) Reflects specific risks relating to the relevant segments and the countries in which they operate. In performing the value-in-use calculations for each CGU, the consolidated entity has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax rates are disclosed in the table.
(d) Fixed costs of the CGU, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures. The amounts disclosed are the average operating costs for the five-year forecast period.
(e) Expected capital cash costs based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.

Whilst there has been no material adverse impact on the financial performance of the consolidated entity from COVID-19, there is a risk that any future economic downturn could impact the consolidated entity’s products and services offered, customers, supply chain, staffing and geographical regions in which the group operates. Accordingly judgement has been exercised in considering the impacts COVID-19 has had, or may have on the assets of the consolidated entity, in particular the inputs included in the value-in-use calculations supporting recoverability of goodwill and non-current assets.

Sensitivity
Management have made judgements and estimates in respect of impairment testing. Should 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 discount rate are based would not cause the carrying amount of the CGU to exceed the recoverable amount.

Accounting policy for intangible assets
Intangible assets that are acquired are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Brand names
Brand names acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values. Brand names are not amortised on the basis that they have an indefinite life and are reviewed annually.

Customer contracts/relationships
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Extraction rights
Extraction rights are amortised over the life of the lease hold in order to reflect the decline in value over their expected period of benefit.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed. Goodwill acquired is allocated to each of the Cash Generating Units (“CGU”) expected to benefit from the combination’s synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions.

Note 19. Trade and other payables

	Consolidated	
	2022	2021
	$'000	$'000
Current liabilities		
Financial liabilities at amortised cost:		
Trade payables	48,616	20,579
BAS payable	-	1,142
Other payables	18,795	16,532
	67,411	38,253

Refer to note 29 for further information on financial instruments.

Accounting policy for trade and other payables
Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current.

Other payables and accrued expenses generally arise from normal transactions within the usual operating activities of the consolidated entity and comprise items such as employee taxes, employee on costs, GST and other recurring items.

A liability is recorded for goods and services received prior to balance date, whether invoiced to the consolidated entity or not. Trade payables are normally settled within 30 days.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short term nature.

Note 20. Contract liabilities

	Consolidated	
	2022	2021
	$'000	$'000
Current liabilities		
Contract liabilities	13,155	1,522
Lease income in advance	4,095	5,516
	17,250	7,038

Under the terms of contract the consolidated entity is sometimes required to provide performance guarantees (refer note 31).

The increase in contract liabilities was driven by a large number of deposits received for machines prior to the end of the financial year in the Manufacturing segment ($3.354m) along with the acquisition of commercial and residential builders such as David Payne Constructions, Maas Brothers and Brett Harvey Designs increasing the number and value of Real Estate projects under construction ($8.198m).

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $17.250m as at 30 June 2022 ($7.038m as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2022	2021
	$'000	$'000
Within 6 months	17,250	7,038

Accounting policy for 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.

Note 21. Borrowings and lease liabilities

	Consolidated	
	2022	2021
	$'000	$'000
Current liabilities		
Secured:		
Bank loans (a)	3,984	4,093
Multi-option facility (a)	10,000	-
Vendor financing (b)	17,411	11,720
Chattel mortgages (a)	16,522	8,137
Lease liabilities - plant & equipment and motor vehicles (a) (c)	7,258	7,714
Unsecured:		
Loans - other	472	1,035
Lease liabilities - land and buildings (c)	2,261	2,904
	57,908	35,603
Non-current liabilities		
Secured:		
Bank loans (a)	175,235	46,488
Bank loan - Projects (a)	9,913	-
Vendor financing (b)	7,561	8,919
Chattel mortgages (a)	50,171	28,668
Lease liabilities - plant & equipment and motor vehicles (a) (c)	16,312	27,731
Lease liabilities - land and buildings (c)	12,385	9,475
	271,577	121,281
Total borrowings and lease liabilities	329,485	156,884

Refer to note 29 for further information on financial instruments.

(a) Bank loans and multi-option facility
In September 2021, the company received approval for the increase of its banking facility limits from $160.000m to $200.000m with a $15.000m increase to the term loan, a $20.000m increase in the equipment finance facility and a $5.000m increase in the multi-option cash advance and bank guarantee facility. In addition, the company received approval from its banking consortium to secure up to an additional $100.000m for future project finance funding. Commercial developments will be funded separately by project financiers under standalone project specific finance facilities with separate covenants and undertakings.

In December 2021, the company received approval for an additional increase of its banking facility limits from $200.000m to $300.000m with a $80.000m increase to the term loan, a $10.000m increase to the equipment finance facility and a $10.000m increase to the multi-option cash advance and bank guarantee facility.

In April 2022, the company received approval for the increase of its banking facility limits from $300.000m to $500.000m, consisting of a $140.000m increase to the term loan, a $40.000m increase to the hire purchase facility and a $20.000m increase to the multi-option cash advance and bank guarantee facility. The increased facility will provide additional liquidity to the company under a common terms deed arrangement. $150.000m of the $500.000m facility relates to a hire purchase facility (refer note 21) whilst the balance of the facilities comprised a term loan, and a multi-option cash advance and bank guarantee facility. The multi-option facility is an interchangeable bank facility which allows the company to change between cash advances and contract performance guarantees. The balance of the contract performance guarantees as at 30 June 2022 amounted to $30.297m (refer note 31). The term loan has a 3-year term and is non-amortising. The multi-option facility also has a 3-year term with an annual requirement to fully repay the cash advance component for a period of 7 consecutive days. The repaid amount is then able to be redrawn after the 7-day period. The 7-day repayment represents the Groups current borrowing requirement under the multi-option facility at 30 June 2022. The facilities are secured by a combination of General Security Agreements and mortgages over Australian group assets and property interests. Interest on the bank loans is calculated using the Bank Bill Swap (BBSY) Bid rate plus a relevant margin. Total transaction costs were $1.937m and unamortised transaction costs of $0.985m have been offset against the bank loans at 30 June 2022.

The project loan is secured by a first registered mortgage over the property and a general security interest over MAAS Group Properties RBD Unit Trust. The loan has a term of 3 years and is repayable in full on the expiry of the term. In addition, the facility is guaranteed by MGH.

Note 21. Borrowings and lease liabilities (continued)

Included in bank loans is a 99 billion VND facility in Vietnam which is secured by land use rights and related assets. The facility can be denominated in the currencies of VND or USD and attracts interest rates of between 6.4% to 8.3% for VND and 3.1% to 5.672% for USD. The loan is denominated in VND (refer to note 29).

(b) Vendor Financing
Loans relate to land held for resale and development and are secured against the respective assets. Vendor financing loans comprise the following:

	Consolidated	
	2022	2021
	$'000	$'000
Southlakes (i)	1,200	2,895
Westwinds (ii)	-	483
Millers Metal Forbes (iii)	-	7,405
Arcadia (iv)	5,483	6,074
Logan (v)	516	1,033
Gilgandra (vi)	1,375	2,750
Veravista (vii)	6,650	-
Ellida (viii)	9,748	-
	24,972	20,640

(i) Southlakes - Fixed interest rate of 9.99% and annual repayments (principal and interest) of $1.000m and a final payment of $2.000m on 6 August 2024. The obligations of this agreement were settled ahead of specified contractual payment dates with the remaining balance settled in July 2022.
(ii) Westwinds - Interest free. Paid $2.552m in the 2020 financial year with the remaining $0.483m settled on 26 August 2021.
(iii) Millers Metal Forbes - Interest free loan with penalty interest of 12% charged only on late payments. The facility was secured by assets acquired and the loan was repaid in two instalments of $12.573m and $7.405m respectively which were due on the first and second anniversary of the transaction completion date: 7 August 2020 and 7 August 2021.
(iv) Arcadia - Interest free loan of $6.880m with penalty interest charged only on late payments per the fixed rate for judgement debts by the Uniform Civil Procedure Rules. The facility is secured by assets acquired and the loan is to be repaid in 9 instalments, 4 at $0.670m and 5 at $0.840m. The first instalment of $0.670m was made on the 1st of March 2022 with the remaining 8 instalments due each anniversary of the transaction completion date with the final payment due 1st of March 2030.
(v) Logan - Interest free loan of $1.033m with penalty interest of 10% charged only on late payments. The facility is secured by assets acquired and the loan is to be repaid in 2 instalments of $0.516m due each anniversary of the transaction completion date: 26 August 2021 and 26 August 2022.
(vi) Gilgandra - loan of $2.750m with penalty interest charged at the bank bill swap rate plus 6% charged only on late payments. The facility is secured by assets acquired and the loan is to be repaid in 2 instalments of $1.375m due each anniversary of the transaction completion date: 17 August 2021 and 17 August 2022.
(vii) Veravista - Interest Free. First instalment of $1.500m paid on settlement date 31 July 2021, second instalment of $6.650m due 1 year after completion. Penalty interest payable at 7% per annum 1 year from completion until the balance of the price is paid.
(viii) Ellida - Interest free. First instalment of $5.000m paid on settlement date 24 June 2022, second instalment of $7.000m due 12 months after settlement date, and last instalment of $3.000m due on or before 24 months after the settlement date, being the later of 24 months after the settlement date or 10 business days after receiving notice that a Development Application has been approved.

All loan repayments scheduled since the reporting period and up to the date to when the financial statements were authorised to issue have been paid.

(c) Lease liabilities
Plant & equipment and motor vehicles:
The consolidated entity leases various plant and equipment under finance lease and hire purchase. The leases are secured over the individual motor vehicles and equipment that the lease relates to.

Refer to note 17 for right-of-use assets disclosures relating to plant & equipment and motor vehicles under hire purchase.

Note 21. Borrowings and lease liabilities (continued)

Land and buildings:
The consolidated entity has leases for warehouses and offices. Rental contracts are typically made for a fixed period of 3 - 5 years with options to extend. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position. The consolidated entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Most extension options have been included in the lease liability.

Refer to note 17 for right-of-use assets disclosures relating to the land and buildings.

Fair value
The fair values of borrowings are not materially different from their carrying amounts, since the interest payable on borrowings is either close to current market rates or the borrowings are of a short term nature.

Compliance with loan covenants
The consolidated entity has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting period, see note 24 for details.

Financing arrangements
The consolidated entity had access to the following undrawn borrowing facilities at the end of the reporting period:

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Total facilities		
Bank loans*	296,098	53,141
Multi-option facility (including contract performance guarantees)**	70,000	35,000
Vendor financing	24,972	20,639
Loans - other	472	1,035
Equipment finance facility	153,159	81,205
	544,701	191,020
Used at the reporting date		
Bank loans*	189,132	51,380
Multi-option facility (including contract performance guarantees)**	40,298	12,788
Vendor financing	24,972	20,639
Loans - other	472	1,035
Equipment finance facility	90,263	72,250
	345,137	158,092
Unused at the reporting date		
Bank loans*	106,966	1,761
Multi-option facility (including contract performance guarantees)**	29,702	22,212
Vendor financing	-	-
Loans - other	-	-
Equipment finance facility	62,896	8,955
	199,564	32,928

* The used bank loan facility excludes borrowing costs capitalised.
** The used multi-option facility includes performance guarantees of $30.297m (2021: $12.788m) - refer note 31.

Accounting policy for borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Note 21. Borrowings and lease liabilities (continued)

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Accounting policy for 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 (including in-substance 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.

Note 22. Employee benefits

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Current liabilities		
Annual leave	5,849	3,396
Long service leave	1,398	713
	7,247	4,109
Non-current liabilities		
Long service leave	499	391
	7,746	4,500

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service 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. The liability for annual leave is presented as provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Note 22. Employee benefits (continued)

Other long-term employee benefits
The liabilities for long service leave and annual leave which is not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service is 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. 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 on corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The consolidated entity's obligations for long-term employee benefits are presented as non-current provision for employee benefits the consolidated statement of financial position, except where the consolidated entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as a current provision for employee benefits.

Note 23. Provisions

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Current liabilities		
Warranties	98	89
Contingent consideration	3,256	1,000
Other provisions	80	40
	3,434	1,129
Non-current liabilities		
Contingent consideration	13,335	1,000
	16,769	2,129

Contingent consideration
The contingent consideration at 30 June 2022 relates to the acquisition of A1 Earthworx, Maas Brothers, Stanaway, Brett Harvey, Inverell, Blackwater Quarries and Garde (refer note 37), and includes the balance outstanding for the Amcor acquisition that was completed in the 2021 financial year. The contingent consideration at 30 June 2021 relates to the acquisition of the Amcor business by Regional Group Australia Pty Ltd and MAAS Group Pty Ltd.

Warranties
The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions
Movements in each class of provision during the current financial year are set out below:

Consolidated - 30 June 2022	Warranties $'000	Contingent consideration $'000	Other provisions $'000	Total $'000
Carrying amount at the start of the year	89	2,000	40	2,129
Additional provisions recognised	9	-	40	49
Additions through business combinations (note 37)	-	22,137	-	22,137
Fair value gain	-	(6,546)	-	(6,546)
Payments	-	(1,000)	-	(1,000)
Carrying amount at the end of the year	98	16,591	80	16,769

Note 23. Provisions (continued)

Accounting policy for provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Refer to note 37 for accounting policy on contingent consideration.

Note 24. Issued capital

	Consolidated			
	2022 Shares	**2021 Shares**	**2022 $'000**	**2021 $'000**
Ordinary shares - fully paid	297,164,096	266,839,092	432,530	279,635

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$'000**
Balance	1 July 2020	204,857,704		153,643
Conversion of convertible notes (note 21)	6 November 2020	11,665,810	$2.00	23,293
Conversion of shareholder loans (note 21)	3 December 2020	7,422,234	$2.00	14,834
Initial Public Offering (a)	3 December 2020	41,000,000	$2.00	82,000
Dividend reinvestment plan issued (b)	30 April 2021	1,185,797	$3.33	3,949
Shares issued to vendor of Amcor (note 37)	30 June 2021	707,547	$4.74	3,354
Transaction costs arising on share issues, net of tax		-	$0.00	(1,438)
Balance	30 June 2021	266,839,092		279,635
Institutional placement (c)	8 July 2021	8,915,909	$5.50	49,038
Shares issued as part consideration for acquisition of A1 Earthworx (note 37)	16 Aug 2021	444,444	$4.69	2,084
Shares issued as part consideration for acquisition of Redimix Concrete (note 37)	8 Sept 2021	91,098	$4.83	440
Shares issued as part consideration for acquisition of Stanaway (note 37)	29 Sept 2021	1,800,000	$5.20	9,360
Shares issued under the Share Purchase Plan (d)	6 Oct 2021 to 30 June 2022	2,132,277	$5.50	11,728
Shares issued to underwriter under the Dividend Reinvestment Plan (b)	12 Nov 2021	405,383	$3.33	1,350
Shares issued as consideration for acquisition of Maas Brothers (note 37)	12 Nov 2021	6,109,000	$4.60	28,101
Conditional Placement (e)	12 Nov 2021 to 10 Dec 2021	5,436,361	$5.50	29,900
Shares issued under the Dividend Reinvestment Plan (b)	7 Dec 2021	2,054,422	$4.21	8,649
Shares issued as consideration for the acquisition of Brett Harvey (note 37)	22 Dec 2021	1,136,842	$4.80	5,457
Shares issued as consideration for the acquisition of Blackwater Quarries (note 37)	22 Mar 2022	193,798	$4.60	891
Shares issued under the Dividend Reinvestment Plan (b)	19 April 2022	873,496	$4.70	4,106
Shares issued as consideration for the acquisition of GARDE (note 37)	31 May 2022	731,974	$4.51	3,300
Transaction costs arising on share issues, net of tax				(1,509)
Balance	30 June 2022	297,164,096		432,530

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

Note 24. Issued capital (continued)

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.

(a) Initial Public Offering
On 3 December 2020, MAAS Group Holdings Limited (MGH) was admitted to the Official List of ASX Limited and official quotation of MGH's ordinary fully paid shares commenced on 4 December 2020. 41.0 million new shares were issued by the company at $2 per share pursuant to the offer under the prospectus dated 6 November 2020. Transaction costs of $2.054m and related deferred tax of $0.616m were recognised directly in equity which represents the portion of transaction costs attributable to the issuance of new shares. Transaction costs of $1.753m attributable to the listing were recognised in the consolidated statement of profit or loss and other comprehensive income in the current reporting period.

(b) Dividend reinvestment plan
30 June 2021
On 25 February 2021, MAAS Group Holdings Limited (MGH) announced a fully franked interim dividend of 2 cents per share together with its Dividend Reinvestment Plan (DRP).

The interim dividend was paid on 30 April 2021 and was subject to the DRP, offering shareholders the choice to participate in the DRP at $3.33 per ordinary share.

On 30 April 2021 1,185,797 ordinary shares were issued pursuant to the DRP. The remaining 405,383 unsubscribed shares were fully underwritten by companies associated with the CEO, Wesley Maas. The acquisition of the 405,383 shares was approved by shareholders at the MGH Annual General Meeting on 9 November 2021.

30 June 2022
The shares issued on 12 November 2021, were issued in terms of the Dividend Reinvestment Plan (DRP) underwriting agreement for the 2021 interim dividend. The underwriter agreed to underwrite the subscription of 405,383 ordinary shares in the company for the purchase price of $3.33 per share, these being the shortfall shares not subscribed for under the DRP, which was approved by shareholders at the MGH Annual General Meeting of 9 November 2021.

In accordance with the terms of the DRP relating to the 2021 final dividend, the issue price of shares under the DRP was $4.21 per share with 1,428,124 shares issued under the DRP to shareholders who elected to participate and 626,298 shares to the Underwriter in relation to the DRP shortfall.

In accordance with the terms of the DRP relating to the 2022 interim dividend, the issue price of shares under the DRP was $4.70 per share with 873,496 shares issued under the DRP to shareholders who elected to participate.

See also note 28 Dividends.

(c) Institutional placement
On 8 July 2021, the company issued 8,915,909 fully paid ordinary shares at $5.50 per share to institutional investors. This placement was part of the company's capital raising announced on 1 July 2021. The placement was ratified by the company's shareholders at its Annual General Meeting held on 9 November 2021.

(d) Share Purchase Plan (SPP)
On 1 July 2021, as part of its capital raising, the company announced a Share Purchase Plan. The company entered into irrevocable agreements with a small number of sophisticated investors (the Underwriters) for them to subscribe for any shortfall in the SPP offer to the extent of $15.000m.

To the extent the SPP Offer was not fully subscribed by existing shareholders, the Underwriters agreed to subscribe for the shares not taken up upon the same terms (SPP Shortfall Shares). In addition to the irrevocable commitments to subscribe for any SPP Shortfall Shares received, the company agreed, to the extent there is insufficient SPP Shortfall Shares available upon completion of the SPP Offer, to undertake an additional placement of ordinary shares to the Underwriters for an amount not exceeding $15.000m at the SPP issue price of $5.50 per share.

The following are the shares issued in terms of the SPP:

SPP Shares:
(i) 6 October 2021 – 41,369 shares

SPP Shortfall shares:
(ii) 21 October 2021 – 690,908 shortfall shares
(iii) 12 November 2021 – 54,545 shortfall shares
(iv) 22 March 2022 – 163,637 shortfall shares
(v) 30 June 2022 – 1,181,818 shortfall shares

The remaining 636,364 shortfall shares were issued on 19 July 2022.

Note 24. Issued capital (continued)

(e) Conditional Placement
During the year, the company issued a total of 5,436,361 fully ordinary shares at $5.50 per share to certain Directors of the company (or entities associated with them) and other founding shareholders and executives of the company on a non-underwritten basis. The Conditional Placement of 5,454,543 shares was approved by the company's shareholders at its Annual General Meeting held on 9 November 2021.

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

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

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.

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

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. The consolidated entity monitors capital to ensure it maintains compliance with its various financial covenants. Refer (i) below for a summary of existing financial covenants for the Australian senior debt facilities.

(i) Loan covenants
Under the terms of the major borrowing facilities, the consolidated entity is required to comply with the following financial covenants:
(a) A leverage ratio at each reporting date that will be less than or equal to 3.5 times.
(b) A debt service coverage ratio of more than or equal to 1.5 times.

The consolidated entity has complied with these covenants throughout the reporting period from the date of commencement of the new financing facilities.

Accounting policy for issued capital
Ordinary shares are classified as equity.

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

Note 25. Other equity

	Consolidated	
	2022 $'000	2021 $'000
Deferred consideration	3,354	3,354

The deferred consideration represents the value of the shares to be issued to the vendor of Amcor on the second anniversary of the acquisition.

Note 26. Reserves

	Consolidated	
	2022 $'000	2021 $'000
Foreign currency reserve	220	(641)
Share-based payments reserve	1,121	352
Business combinations under common control	(109,000)	(109,000)
Transactions with non-controlling interests	103	103
	(107,556)	(109,186)

Note 26. Reserves (continued)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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

Business combinations under common control
Any difference between the cost of the acquisition and the amounts at which the acquired assets and liabilities are recorded for business combinations under common control have been recognised in the *Business combinations under common control* reserve.

Transactions with non-controlling interests
Transactions with non-controlling interests are accounted for as equity transactions.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $'000	Share-based payments reserve $'000	Business combinations under common control $'000	Transactions with non-controlling interests $'000	Total $'000
Balance at 1 July 2020	341	-	(109,000)	-	(108,659)
Foreign currency translation	(982)	-	-	-	(982)
Share-based payment expenses	-	352	-	-	352
Gain from equity transaction with non-controlling interests	-	-	-	103	103
Balance at 30 June 2021	(641)	352	(109,000)	103	(109,186)
Foreign currency translation	861	-	-	-	861
Share-based payment expenses (refer note 42)	-	769	-	-	769
Balance at 30 June 2022	220	1,121	(109,000)	103	(107,556)

Note 27. Retained profits

	Consolidated	
	2022 $'000	**2021 $'000**
Retained profits at the beginning of the financial year	80,597	51,326
Profit after income tax expense for the year	61,562	34,570
Dividends paid (note 28)	(14,536)	(5,299)
Retained profits at the end of the financial year	127,623	80,597

Note 28. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2022 $'000	2021 $'000
Final dividend for the year ended 30 June 2021 of 3 cents per ordinary share	8,649	-
Interim dividend for the year ended 30 June 2022 of 2 cents (2021: 2 cents) per ordinary share	5,887	5,299
	14,536	5,299

Franking credits

	Consolidated	
	2022 $'000	2021 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	41,013	24,176

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Dividend reinvestment plan
During the year, the company had a Dividend Reinvestment Plan (DRP) in operation. Under the DRP, eligible shareholders may elect to have dividends and some or all of their ordinary shares automatically reinvested in additional MGH shares at a discount to the volume-weighted average price ("VWAP") for the 5 days immediately after the day after the record date. The Board has determined that discount to the VWAP will be 2.5%.

See note 24 for more information on MGH's issued capital.

Dividends not recognised at the end of the reporting period
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 3.5 cents per fully paid ordinary share (refer to note 39).

Accounting policy for dividends
Dividends are recognised when declared during the financial year.

Note 29. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for day to day management of these risks to the Chief Finance Officer. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Note 29. Financial instruments (continued)

Market risk

Market risk arises from the use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date, shown in Australian Dollars, were as follows:

	Consolidated	
	2022 $'000	**2021 $'000**
Financial assets		
Cash and cash equivalents (USD)	146	2,915
Cash and cash equivalents (VND)	40	83
Cash and cash equivalents (IDR)	176	204
Trade and other receivables (USD)	222	814
Trade and other receivables (EUR)	184	294
Trade and other receivables (VND)	26	9
Trade and other receivables (IDR)	1,441	294
Trade and other receivables (SGD)	-	60
	2,235	4,673
Financial liabilities		
Bank Loans (USD)	(1,065)	(1,254)
Bank Loans (VND)	(4,541)	(5,126)
Trade and other payables (USD)	(717)	(151)
Trade and other payables (EUR)	(145)	(575)
Trade and other payables (VND)	(276)	(580)
Trade and other payables (SGD)	(6)	-
	(6,750)	(7,686)
Net liabilities denominated in foreign currencies	(4,515)	(3,013)

The consolidated entity had net liabilities denominated in foreign currencies of $4.515m as at 30 June 2022 (2021: net liabilities of $3.013m). Based on this exposure, had the Australian dollar weakened/strengthened by 10% (2021: weakened/strengthened by 10%) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been $0.452m lower/higher (2021: $0.301m lower/higher) and equity would have been $0.452m lower/higher (2021: $0.301m lower/higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk.

Note 29. Financial instruments (continued)

As at the reporting date, the consolidated entity had the following variable rate borrowings:

	Consolidated	
	2022	2021
	$'000	$'000
Bank Loans (inclusive of Multi-Option Facility) and equipment finance	207,800	51,380

	Consolidated	
	2022	2021
	$'000	$'000
Impact on profit and equity		
+1.00%	2,078	514
-1.00%	(2,078)	(514)

An analysis by remaining contractual maturities is shown in 'liquidity' below.

The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

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

The consolidated entity assess on a forward-looking basis in estimating expected credit losses to trade receivables and contract assets. The simplified approach to measuring expected credit losses has been applied. To measure the risk of expected credit losses, trade receivables have been grouped based on days past due and reviewed by management at the business unit level. Where any issues are highlighted that indicate that the consolidated entity may be exposed to expected credit losses, the issues are reported to executive management for consideration and the establishment of an action plan. Should expected credit losses not materialise in the future, the provision may be reversed based dependent on the existence of expected credit losses. The provision at year-end is considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates, and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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

Note 29. Financial instruments (continued)

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

Consolidated - 2022	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives				
Non-interest bearing				
Trade payables	48,616	-	-	48,616
Other payables	18,795	-	-	18,795
Vendor financing	16,211	6,020	2,520	24,751
Deferred consideration	1,261	-	-	1,261
Contingent consideration	682	4,737	-	5,419
Interest-bearing				
Bank loans	21,348	196,917	-	218,265
Vendor financing	1,200	-	-	1,200
Other loans	472	-	-	472
Chattel mortgages and lease liabilities	29,168	77,366	2,975	109,509
Total non-derivatives	137,753	285,040	5,495	428,288

Consolidated - 2021	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives				
Non-interest bearing				
Trade payables	20,579	-	-	20,579
BAS payable	1,142	-	-	1,142
Other payables	16,532	-	-	16,532
Vendor financing	10,449	4,741	3,360	18,550
Deferred consideration	333	333	-	666
Contingent consideration	1,000	1,000	-	2,000
Interest-bearing				
Bank loans	5,723	49,032	-	54,755
Vendor financing	1,000	4,000	-	5,000
Other loans	1,060	-	-	1,060
Chattel mortgages and lease liabilities	18,316	66,755	5,846	90,917
Total non-derivatives	76,134	125,861	9,206	211,201

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

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments approximate their fair values.

Note 30. Fair value measurement

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

Consolidated - 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment properties	-	-	69,849	69,849
Total assets	-	-	69,849	69,849
Liabilities				
Contingent consideration	-	-	16,591	16,591
Total liabilities	-	-	16,591	16,591

Consolidated - 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment properties	-	3,000	26,925	29,925
Total assets	-	3,000	26,925	29,925
Liabilities				
Contingent consideration	-	-	2,000	2,000
Total liabilities	-	-	2,000	2,000

Valuation techniques for fair value measurements categorised within level 1
The fair values of listed equity securities are based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the consolidated entity is the bid price.

Valuation techniques for fair value measurements categorised within level 2 and level 3
- Investment properties
Investment properties are revalued annually based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. The valuers have considered valuation techniques including direct comparison method, capitalisation approach and/or discounted cash flow analysis in arriving at the fair values as at the reporting date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach captures an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an expected rate of return.

All resulting fair value estimates for properties are included in level 3. Investment properties that are held for sale at the reporting date and which were valued at their selling price, have been included in level 2.

- Contingent consideration
Where there are EBITDA hurdles the fair value of the contingent cash consideration has been estimated using present value techniques, by discounting the probability-weighted estimated future cash outflows. The fair value of the contingent share consideration has been estimated based on the probability of achieving future hurdles which impacts the number of shares to be issued, using the share price (at acquisition date and reporting date).

Note 30. Fair value measurement (continued)

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Investment properties $'000	Contingent consideration $'000	Derivative instruments $'000	Total $'000
Balance at 1 July 2020	18,310	(484)	(1,843)	15,983
Transfers into level 3	1,280	-	-	1,280
Transfers out level 3	(4,280)	-	-	(4,280)
Gains/(losses) recognised in profit or loss	9,284	(26)	-	9,258
Additions	3,016	(2,000)	-	1,016
Disposals/settlements	(685)	510	-	(175)
Converted into ordinary shares	-	-	1,843	1,843
Balance at 30 June 2021	26,925	(2,000)	-	24,925
Transfers into level 3	3,998	-	-	3,998
Gains recognised in profit or loss	18,843	6,546	-	25,389
Additions	20,083	(22,137)	-	(2,054)
Disposals/settlements	-	1,000	-	1,000
Balance at 30 June 2022	69,849	(16,591)	-	53,258
Total gains/(losses) for the previous year included in profit or loss that relate to level 3 assets held at the end of the previous year	9,284	(26)	-	9,258
Total gains for the current year included in profit or loss that relate to level 3 assets held at the end of the current year	18,843	6,546	-	25,389

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Investment properties (including investment properties held for sale)	Capitalisation rate	5.25% - 7.5% (6.36%)	The estimated fair value would increase/(decrease) if capitalisation rate was lower/(higher)
	Land rate (per sqm)	$1.96-$1,969 ($464)	The estimated fair value would increase/(decrease) if land rate was higher/(lower)
Contingent consideration	Expected EBITDA	$630,000 - $7,000,000	The estimated fair value would increase/(decrease) if EBITDA Hurdle result was exceeded/(underperformed)
	Number of shares	0 - 3,117,368	The estimated fair value would increase/(decrease) if the number of shares issued increased/(decreased)

Accounting policy for 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.

Note 30. Fair value measurement (continued)

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.

Note 31. Contingent liabilities

	Consolidated 2022 $'000	2021 $'000
Contract performance guarantees	30,297	12,788

These contract performance guarantees are amounts that can be called on by customers or third parties to rectify works carried out that have not been performed to the satisfaction of the customer or third party. Guarantees are issued to third parties to complete the required infrastructure projects required for its land development activities.

Note 32. Commitments

On 1 July 2022, the consolidated entity entered into an agreement to acquire Schwarz Excavations Pty Ltd (Schwarz) for an initial cash payment of $34.858m and the issue of 913,194 shares in MGH for a total consideration of $38.620m (Acquisition Consideration) (refer note 39). Further cash consideration may be payable, contingent on Schwarz achieving certain EBITDA targets for the three financial years following completion up to $3.000m. The acquisition completed on 22 July 2022.

On 29 July 2022, the consolidated entity entered into a binding agreement to acquire four hard rock quarries and two sand quarries in the Isaac Region of Central Queensland. The agreement, which is an agreement to acquire the business and assets, is subject to various third-party consents and customary completion conditions with the transaction expected to complete by the end of August 2022. The consideration for the acquisition of $12.750m, plus an amount for stock of up to $2.200m to be determined at completion, will be funded from existing cash reserves and debt facilities.

Note 33. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Limited, the auditor of the company, and its network firms:

	Consolidated 2022 $	2021 $
Audit services		
Audit or review of the financial statements	495,270	447,500
Other services		
Due diligence services - independent accountants report	-	118,000
Due diligence services - business acquisitions and other transactions	148,545	121,004
Tax consulting services	57,099	29,156
Financial modelling	37,500	-
	243,144	268,160
Total remuneration of BDO - Australia	738,414	715,660
Audit services - network firms of BDO		
Audit or review of the financial statements	12,319	8,650

Note 34. Key management personnel disclosures

Directors
The following persons were directors of MAAS Group Holdings Limited during the financial year:

Stephen G Bizzell
Wesley J Maas
Stewart A Butel
Neal M O'Connor - resigned 1 August 2022
Michael J Medway
David B Keir - appointed 5 October 2021

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Craig G Bellamy (Chief Financial Officer and Company Secretary)

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

	Consolidated	
	2022	**2021**
	$	**$**
Short-term employee benefits	1,242,176	991,107
Post-employment benefits	109,474	86,299
Long-term benefits	-	44,326
	1,351,650	1,121,732

Note 35. Related party transactions

Subsidiaries
Interests in subsidiaries are set out in note 38.

Associates
Interests in associates are set out in note 15.

Key management personnel
Disclosures relating to key management personnel are set out in note 34 and the remuneration report included in the directors' report.

Note 35. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2022	**2021**
	$	**$**
Sale of goods and services:		
Construction services	-	1,973,016
Payment for goods and services:		
Advisory services – IPO & acquisitions	79,000	367,688
Consulting fee	-	67,500
Rent	838,631	343,084
Travel	175,872	-
Other transactions:		
Acquisition of minority interest in subsidiary	-	106,030
Costs recovered from related party	1,786	-
Unsubscribed DRP shares underwritten by companies associated with the CEO	3,986,640	-
Amounts recognised directly in equity:		
Advisory services – capital raising	-	152,612

Related party transactions – Wesley Maas:

- Wesley Maas is a director of Property Maintenance Australia Pty Ltd (PMA). During the 2022 financial year, the consolidated entity engaged PMA to provide commercial flights to the consolidated entity's locations throughout Australia. Flights are charged at cost to the consolidated entity and the total charge for the 2022 financial year was $175,872 (2021: $nil). During the 2021 financial year, the consolidated entity engaged PMA to provide property consulting services to the value of $67,500 until September 2020 when the engagement ended. The contract was based on normal terms and conditions.
- The consolidated entity leased premises from Emma Maas, the wife of Wesley Maas, on a short-term and ad-hoc basis. The rental charged during the year of $28,600 (2021: $29,150) was based on market rates.
- The consolidated entity leased premises from Yarrandale Pty Ltd, an entity controlled and/or associated with Wesley Maas. The rental charged during the year of $318,482 (2021: $305,254) was based on market rates.
- In May 2021, the consolidated entity leased premises from Maas Homebush Pty Ltd, an entity controlled and/or associated with Wesley Maas. The rental charged was based on market rates and commenced after a three-month rent-free period, which ended in July 2021. The rental charge during the 2022 financial year was $491,549.
- During the 2022 financial year, the consolidated entity recovered expenses of $1,786 from Choice Investments Dubbo Pty Ltd, an entity controlled and/or associated with Wesley Maas.
- At the Company's AGM held on 9 November 2021, shareholder approval was obtained for Maas Group Developments Pty Ltd, a wholly-owned subsidiary of the company, to exercise an option with MGFP Holdings Pty Limited as trustee for MGFP Unit Trust to acquire the current Liberal Site at a market value of $6,950,000. MGFP Holdings Pty Limited is jointly controlled by the parents of Wesley Maas and Emma Maas with the underlying beneficial and economic interest in the MGFP Unit Trust also jointly held by the parents of Wesley Maas and Emma Maas.
- At the Company's AGM held on 9 November 2021, shareholder approval was obtained for Maas Group Developments Pty Ltd, a wholly-owned subsidiary of the company, to exercise an option with W&E Maas Holdings Pty Limited as trustee for the Maas Family Trust to purchase all of the shares in MAAS Group Properties Sheraton View Pty Limited at an exercise price of $100. On exercise of the option, Choice Investments (Dubbo) Pty Ltd (an entity controlled and/or associated with Wesley Maas), who paid the first and second instalments of the purchase price and all transaction costs in relation MAAS Group Properties Sheraton View Pty Limited's purchase of the Sheraton Site, was entitled to repayment of these amounts totalling $1,469,854. Wesley and Emma Maas are controlling shareholders of W&E Maas Holdings Pty Limited and beneficiaries of the Maas Family Trust.
- At the Company's AGM held on 9 November 2021, shareholder approval was obtained for Maas Group Developments Pty Ltd, a wholly-owned subsidiary of the company, to purchase all of the shares in Maas Group Properties Bunglegumbie East Pty Ltd at a purchase price of $100. On completion of the share purchase, W&E Maas Holdings Pty Limited acting as trustee for the Maas Family Trust, who funded the deposit and all transaction costs in relation MAAS Group Properties Bunglegumbie East Pty Ltd's purchase of the Bunglegumbie Site, was entitled to repayment of these amounts totalling $158,371. Wesley and Emma Maas are controlling shareholders of W&E Maas Holdings Pty Limited and beneficiaries of the Maas Family Trust.
- During the year the ended 30 June 2021, W & E Maas Holdings Pty Limited (an entity controlled and/or associated with Wesley Maas) sold the remaining shares in related entity MAAS Group Properties Logan Pty Ltd to the consolidated entity for $106,030.

Note 35. Related party transactions (continued)

Related party transactions – Stephen Bizzell:
- There is a commercial tenancy agreement for office space and a carpark in Brisbane between the consolidated entity and Mallee Bull Investments Pty Ltd as trustee for the Mallee Bull Property Trust (Mallee Bull Property Trust) for a term of two years from July 2020 at a rental of $900 per month. During the 2021 financial year, $8,681 was paid to Mallee Bull Investments Pty Ltd and at the end of the financial year, $900 was payable. The spouse of Mr Stephen Bizzell, the Company's Chairman, is a director of Mallee Bull Investments Pty Ltd and an ultimate beneficiary of the Mallee Bull Property Trust. The tenancy agreement is on commercial arm's length terms and was entered into prior to Mr Bizzell's appointment as Chairman. There was no rent paid to Mallee Bull Property Trust during the 2022 financial year.
- The consolidated entity provided mining and ancillary services (construction services) by way of a service agreement with Laneway Resources Limited. Stephen Bizzell is a Chairman of the board and substantial shareholder of Laneway Resources Limited. The agreement was negotiated on arms-length, commercial terms prior to Stephen's appointment as a Director and Chairman of MGH. MGH recognised $1,973,016 of construction services revenue during the 2021 financial year.
- On 8 October 2018, the consolidated entity engaged Bizzell Capital Partners Pty Ltd (BCP) to advise on the Company's ASX listing, capital raising processes and acquisitions. Stephen Bizzell is the Chairman and owner of BCP. The engagement of BCP was negotiated on arms' length commercial terms prior to Stephen's appointment as a Director and Chairman of MGH. The parties mutually agreed to terminate the engagement on 5 November 2020 pursuant to a mutual deed of termination. Under the termination deed, MGH paid $473,000 (exclusive of GST) in respect of advisory fees up to 5 November 2020.

Related party transactions – Michael Medway:
- Michael Medway provides consultancy services to the consolidated entity under usual commercial terms. Services included due diligence services with respect to acquisitions of businesses and or assets. The value of the services provided is $79,000 (2021: $9,000).

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2022	**2021**
	$	**$**
Current receivables:		
Trade receivables from entities controlled by key management personnel	-	1,471,519
Current payables:		
Trade payables to key management personnel	88,000	-
Trade payables to entities controlled by key management personnel	50,566	56,962

Loans to/from related parties
There were no loans to or from key management personnel during the 2022 financial year.

The following balances are outstanding at 30 June 2021 in relation to loans with related parties:

2021

Related party entity	KMP related to	Balance at beginning of the year $	Converted into shares $	Net loan payment $	Balance at end of the year $
Related party loan liabilities:					
Choice Investments Dubbo Pty Ltd	Wesley J Maas	24,021,530	-	(24,021,530)	-
Old Man Investments Pty Ltd	Damien Porter	253,903	(253,903)	-	-
		24,275,433	(253,903)	(24,021,530)	-

Note 36. Parent entity information

Set out below is the supplementary information about the legal parent entity (MAAS Group Holdings Limited).

Note 36. Parent entity information (continued)

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	$'000	$'000
Loss after income tax	(5,938)	(4,289)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	(5,938)	(4,289)

Statement of financial position

	Parent	
	2022	2021
	$'000	$'000
Total current assets	453,535	177,103
Total non-current assets	161,885	154,342
Total assets	615,420	331,445
Total current liabilities	319	3,302
Total non-current liabilities	188,433	34,663
Total liabilities	188,752	37,965
Net assets	426,668	293,480
Equity		
Issued capital	432,530	279,635
Other equity	3,354	3,354
Share-based payments reserve	1,121	352
Retained profits/(accumulated losses)	(10,337)	10,139
Total equity	426,668	293,480

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity has provided guarantees in respect of banking facilities provided to the group (refer note 21).

Contingent liabilities
The parent entity had no other contingent liabilities as at 30 June 2022 and 30 June 2021 that have not been disclosed in note 31.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, 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.

Note 37. Business combinations

Summary of acquisitions

Acquisition of Redimix

On 23 July 2021, the consolidated entity entered into an agreement to purchase the aggregate and concrete business BJB Concrete Pty Ltd, trading as Redimix Concrete and an associated parcel of land for an agreed cash consideration of $5.500m and 91,098 MGH shares. The acquisition completed on 20 August 2021. The Redimix business operates in the Construction Materials segment and complements the Group's growth strategy in growing its Construction Materials business.

Acquisition of Inverell

On 25 June 2021, the consolidated entity entered into an agreement to acquire the business and land owned and operated by Inverell Aggregate Supplies Pty Ltd ("Inverell"). The acquisitions of the business and land were completed on 22 July 2021 with $1.800m of the total consideration of $3.900m payable at completion. The remaining consideration of $2.100m is a combination of deferred and contingent consideration and will be released progressively over the four years following completion. The Inverell business operates in the Construction Materials segment and complements the Group's growth strategy in growing its Construction Materials business.

Acquisition of A1 Earthworx

On 16 August 2021, the consolidated entity entered into a share purchase agreement to acquire all the issued shares of the earthmoving and civil construction machinery business A1 Earthworx Mining & Civil Pty Ltd. The acquisition was completed on 16 August 2021 with $8.575m in cash paid and 444,444 MGH shares issued at completion. Contingent consideration of up to $1.800m is payable in cash following the finalisation of the FY24 financial result if certain earnings targets are met. A1 Earthworx is reported in the Civil, Construction and Hire segment increasing the segment's civil capability for both internal and external projects.

Acquisition of Stanaway

On 25 June 2021, the consolidated entity entered into a share purchase agreement to acquire all the issued shares of Stanaway Pty Ltd (trading as David Payne Construction). The acquisition was completed on 29 September 2021. Consideration is a combination of scrip and cash with 1.8 million MGH shares issued at completion. In addition, up to 1.2 million MGH shares are contingent upon certain EBITDA targets being reached over three years following completion. A potential of up to $1.400m is payable in cash following the finalisation of the FY24 financial result if certain EBITDA targets are met. Stanaway Pty Ltd reports into the Real Estate segment providing construction capability for the commercial development portfolio.

Acquisition of MAAS Construction, MAAS Plumbing and Spacey Self Storage (Maas Brothers)

On 27 June 2021, the consolidated entity entered into share purchase agreements to acquire the issued shares of MAAS Construction Group comprising MAAS Construction (Dubbo) Pty Ltd, MAAS Building Pty Ltd and Regional Demolition Pty Ltd (MAAS Construction), and MAAS Plumbing Pty Ltd (MAAS Plumbing). The combined purchase price consists of 2.73 million MGH shares issued at completion. In addition, up to 0.97million MGH shares are contingent upon EBITDA targets being reached over three years following completion. A potential of up to $2.2million is payable in cash following the finalisation of the FY24 financial result if certain EBITDA targets are met. The directors resolved that the transaction would be subject to shareholder approval due to the relationship of the vendors with Wesley Maas. The resolution was passed at the Annual General Meeting with completion occurring on 11 November 2021. Maas Construction and Maas Plumbing are reported in the Real Estate segment providing construction capability for the commercial development portfolio.

On 27 June 2021, MAAS Commercial Developments Pty Ltd and MAAS Self Storage (Southern) Pty Ltd atf the MAAS Self Storage (Southern) Unit Trust entered into purchase agreements to acquire the shares, interests and land of a storage business (the "Spacey Self Storage" business). The purchase price is made up of 3.379 million MGH shares issued at completion and cash of $2.700m payable at completion. There is no deferred or contingent consideration. The directors resolved that the transaction would be subject to shareholder approval due to the relationship of the vendors with Wesley Maas. The resolution was passed at the Annual General Meeting with completion occurring on 11 November 2021. The Spacey Self Storage business is reported in the Real Estate segment and will form a key platform of growth for the commercial property portfolio.

The interdependence of agreements provisions of AASB 3 have been applied, thus accounting for the MAAS Construction, MAAS Plumbing and Spacey Self Storage businesses as a combined transaction.

Acquisition of Brett Harvey

On 22 December 2021, the consolidated entity completed an acquisition of Brett Harvey Construction Pty Ltd (Brett Harvey), a residential home building company based in Dubbo, NSW, for initial consideration of 1,136,842 ordinary shares in MGH. Up to 947,368 additional ordinary shares of MGH are contingent upon the EBITDA performance of Brett Harvey over the next 3 years. The shares being issued at completion are subject to voluntary escrow arrangements with one-third of the shares to be released from escrow each year over the next 3 years. The acquisition of Brett Harvey further strengthens the vertically integrated house and land package delivery capability within MGH's growing Real Estate segment.

Acquisition of Westwood

On 14 September 2021, the consolidated entity entered into an agreement to purchase the business and operations of Quarry Materials Queensland Pty Ltd ("Westwood") for an agreed cash consideration of $2.350m. There is no deferred or contingent consideration. The acquisition completed on 27 October 2021. The Westwood business operates in the Construction Materials segment and complements the Group's growth strategy in growing its Construction Materials business.

Note 37. Business combinations (continued)

Acquisition of Dawson Quarries (Dawson)
On 17 December 2021, the consolidated entity entered into a share purchase agreement to acquire all the issued shares of Dawson Quarries Pty Ltd ("Dawson"). The acquisition completed on 1 April 2022. The purchase price comprised of cash of $4.000m on completion. The Dawson business operates in the Construction Materials segment and further compliments MGH's network of construction materials operations in Central Queensland. In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Acquisition of Blackwater Quarries
On 28 February 2022, the consolidated entity entered into an agreement to purchase the shares of Blackwater Quarries Pty Ltd (Blackwater Quarries). Blackwater Quarries operates four quarries and one concrete plant in Central Queensland. This strategic acquisition expands MGH's existing integrated network of construction materials operations across Central Queensland. This acquisition will enable the further realisation of synergies and provides MGH with a platform for continued growth. The acquisition also includes mobile crushing plant and equipment that will be able to be utilised across MGH's portfolio of quarries in the region. The transaction completed on 21 March 2022. The consideration for the acquisition comprises an initial cash payment of $25.750m, $1.363m in working capital adjustments and the issue of 193,798 shares in MGH (Acquisition Consideration). The cash component of the Acquisition Consideration was funded from existing cash reserves and debt facilities. Further cash consideration will be payable, contingent on Blackwater Quarries achieving defined operating targets, for a period of up to five years from completion up to $2.500m (Contingent Consideration). In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Acquisition of Astleys Building Supplies (Astleys)
On 1 February 2022, the consolidated entity entered into an agreement to purchase the Plumbing, Hardware & Plaster business Rosalu Pty Ltd and Dubplast Pty Ltd, together ("Astleys") for an agreed cash consideration of $9.650m. The acquisition completed on 28 February 2022. The building materials retailer operates in the Real Estate segment and complements the consolidated entity's growth strategy in increasing the consolidated entity's vertically integrated residential and commercial construction capacity. In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Acquisition of Earth Commodities Gladstone (ECG)
On 9 September 2021, the consolidated entity entered into an agreement to acquire the business assets and quarry leases owned and operated by Earth Commodities Gladstone Pty Ltd ("ECG"). The acquisition completed on 24 February 2022. The purchase price comprised of cash on completion of $7.500m and $1.025m of settlement working capital adjustments. The ECG business operates in the Construction Materials segment and further compliments MGH's network of construction materials operations in Central Queensland. In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Acquisition of GARDE
On 19 May 2022, the consolidated entity entered into an agreement to purchase the shares of DPG Civil Pty Ltd and its subsidiaries (Garde). Garde was established in 1981 and is a specialist provider of complex installation and maintenance services for underground high-voltage cables and assets in Sydney and New South Wales. This strategic acquisition is highly complementary to MGH's existing Civil Construction and Hire (CCH) Segment and expands MGH's capabilities to include a Sydney-based, highly respected infrastructure delivery specialist. MGH is confident that this acquisition will enable the realisation of synergies in CCH and other MGH segments. With this acquisition, MGH will also have a high voltage specialist electrical offering for the growing infrastructure and renewable energy sectors complimentary to the JLE business. The transaction completed on 31 May 2022. The consideration for the acquisition includes an initial cash payment of $29.700m, $5.218m of settlement adjustments and the issue of 731,974 shares in MGH (Acquisition Consideration). The cash component of the Acquisition Consideration was funded from existing cash reserves and debt facilities. Further cash consideration may be payable, contingent on GARDE achieving certain EBITDA targets for the three financial years following completion up to a possible $35.000m (Contingent Consideration). In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Note 37. Business combinations (continued)

Details of the acquisition are as follows:

Table 1:

	Redimix Fair value $'000	Inverell Fair value $'000	A1 Earthworx Fair value $'000	Stanaway Fair value $'000	Maas Brothers Fair value $'000	Brett Harvey Fair value $'000	Westwood Fair value $'000
Cash and cash equivalents	-	-	458	1,625	932	2,069	-
Trade receivables	-	-	1,582	4,148	2,431	934	-
Income tax refund due	-	-	-	723	12	-	-
Inventories	120	135	257	-	-	-	930
Prepayments	-	-	105	486	-	56	-
Other current assets	-	-	206	87	494	639	128
Investment property	-	-	-	-	16,171	-	-
Property, plant and equipment	4,048	3,765	6,946	1,751	105	-	180
Intangibles	860	-	2,440	4,000	2,500	2,230	1,069
Deferred tax asset	-	-	98	175	-	44	-
Trade and other payables	-	-	(1,372)	(5,606)	(1,908)	(1,088)	-
Current tax liability	-	-	(7)	-	-	(136)	-
Deferred tax liability	-	-	(252)	-	-	-	-
Employee benefits	(156)	(133)	(327)	(388)	(219)	(147)	(15)
Lease liability	-	-	-	-	-	-	-
Other liabilities	-	-	-	(167)	(437)	(147)	-
Net assets acquired	4,872	3,767	10,134	6,834	20,081	4,454	2,292
Goodwill	912	-	2,325	9,945	17,252	5,550	-
Net assets acquired	5,784	3,767	12,459	16,779	37,333	10,004	2,292
Representing:							
Cash paid or payable	5,344	2,572	8,575	-	2,700	-	2,292
MGH shares issued	440	-	2,084	9,360	28,101	5,457	-
Contingent consideration	-	1,195	1,800	7,419	6,532	4,547	-
	5,784	3,767	12,459	16,779	37,333	10,004	2,292
Cash used to acquire business, net of cash acquired:							
Fair value of the total consideration transferred	5,784	3,767	12,459	16,779	37,333	10,004	2,292
Less: cash and cash equivalents	-	-	(458)	(1,625)	(932)	(2,069)	-
Less: contingent consideration	-	(1,195)	(1,800)	(7,419)	(6,532)	(4,547)	-
Less: shares issued as part of consideration	(440)	-	(2,084)	(9,360)	(28,101)	(5,457)	-
Less: deferred consideration	-	(918)	-	-	-	-	-
Net cash used/(received)	5,344	1,654	8,117	(1,625)	1,768	(2,069)	2,292

Note 37. Business combinations (continued)

Table 2:

	Sub-total Table 1 Fair value $'000	Dawson Fair value $'000	Blackwater Quarries Fair value $'000	ABS Fair value $'000	ECG Fair value $'000	GARDE Fair value $'000	Total $'000
Cash and cash equivalents	5,084	914	205	-	-	2,263	8,466
Trade receivables	9,095	832	2,770	-	-	5,107	17,804
Income tax refund due	735	-	-	-	-	814	1,549
Inventories	1,442	1,714	2,746	2,865	999	-	9,766
Prepayments	647	-	-	-	15	116	778
Other current assets	1,554	74	454	31	-	1,939	4,052
Investment property	16,171	-	-	-	-	-	16,171
Property, plant and equipment	16,795	-	23,702	3,629	5,408	10,960	60,494
Intangibles	13,099	1,908	4,190	2,150	2,140	12,960	36,447
Deferred tax asset	317	-	-	-	-	2,166	2,483
Trade and other payables	(9,974)	(982)	(1,764)	(41)	-	(2,518)	(15,279)
Current tax liability	(143)	(460)	(971)	-	-	(14)	(1,588)
Deferred tax liability	(252)	-	(2,560)	-	-	(2,601)	(5,413)
Employee benefits	(1,385)	-	(124)	(255)	(37)	(380)	(2,181)
Lease liability	-	-	-	-	-	(2,132)	(2,132)
Other liabilities	(751)	-	-	-	-	-	(751)
Net assets acquired	52,434	4,000	28,648	8,379	8,525	28,680	130,666
Goodwill	35,984	-	-	1,280	-	9,538	46,802
Acquisition-date fair value of the total consideration transferred	88,418	4,000	28,648	9,659	8,525	38,218	177,468
Representing:							
Cash paid or payable	21,483	4,000	27,113	9,659	8,525	34,918	105,698
MGH shares issued	45,442	-	891	-	-	3,300	49,633
Contingent consideration	21,493	-	644	-	-	-	22,137
	88,418	4,000	28,648	9,659	8,525	38,218	177,468
Cash used to acquire business, net of cash acquired:							
Fair value of the total consideration transferred	88,418	4,000	28,648	9,659	8,525	38,218	177,468
Less: cash and cash equivalents	(5,084)	(914)	(205)	-	-	(2,263)	(8,466)
Less: contingent consideration	(21,493)	-	(644)	-	-	-	(22,137)
Less: shares issued as part of consideration	(45,442)	-	(891)	-	-	(3,300)	(49,633)
Less: deferred consideration	(918)	-	-	-	-	-	(918)
Net cash used	15,481	3,086	26,908	9,659	8,525	32,655	96,314

Note 37. Business combinations (continued)

Revenue and profit contribution
If the acquisitions had occurred on 1 July 2021, the consolidated results for the year ended 30 June 2022 would have been as follows:

	Revenue $'000	Net profit for the period after tax $'000
A1 Earthworks	21,597	1,420
Stanaway	45,394	2,839
Maas Brothers	27,785	5,733
Brett Harvey	23,584	1,715
Dawson	7,400	511
Blackwater Quarries	44,745	1,795
Astleys	16,755	1,653
GARDE	27,309	3,823
	214,569	19,489
Other consolidated entities	411,889	49,348
	626,458	68,837

The amounts in the above table have been calculated using the results of each subsidiary and adjusting them for:
- differences in the accounting policies between the consolidated entity and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2021, together with the consequential tax effects.

The acquired businesses contributed the following revenues and net profit to the consolidated entity from the dates of their respective acquisitions to 30 June 2022:

	Revenue $'000	Net profit for the period after tax $'000
A1 Earthworks	20,010	1,366
Stanaway	33,829	2,796
Maas Brothers	20,501	4,471
Brett Harvey	11,292	1,129
Dawson	2,012	283
Blackwater Quarries	5,387	598
Astleys	9,066	1,037
GARDE	3,135	534
	105,232	12,214

It is impractical to isolate the post-acquisition revenue and net results for the period and for Inverell, Redimix, Westwood and Earth Commodities Gladstone given the acquisitions have been operationally consumed within Regional Quarries Australia Pty Ltd.

Note 37. Business combinations (continued)

Acquired receivables

	Fair value of acquired receivables $'000	Gross contractual amount due $'000	Loss allowance recognised on acquisition $'000
A1 Earthworx	1,582	(1,582)	-
Stanaway	4,148	(4,148)	-
Maas Brothers	2,431	(2,431)	-
Brett Harvey	934	(934)	-
Dawson	832	(832)	-
Blackwater Quarries	2,770	(2,770)	-
GARDE	5,107	(5,107)	-
	17,804	(17,804)	-

Acquisition-related costs
Acquisition-related costs totalling $3.122m that were not directly attributable to the issue of shares are disclosed separately in the statement of profit or loss and other comprehensive income as *Transaction costs relating to business combinations*.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations, unless it is a combination involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired.

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

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

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

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

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

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

Note 38. Interests in subsidiaries

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

		Ownership interest	
	Principal place of business /	**2022**	**2021**
Name	**Country of incorporation**	**%**	**%**
MAAS Group Pty Ltd	Australia	100%	100%
Machinery Sales Pty Ltd	Australia	100%	100%
EMS Plant & Equipment Pty Ltd	Australia	100%	100%
Large Industries Pty Ltd	Australia	100%	100%
Hamcon Civil Pty Ltd	Australia	100%	100%
Miller Metals Forbes Pty Ltd	Australia	100%	100%
MAAS Plant Hire Pty Ltd	Australia	100%	100%
MAAS Civil Pty Ltd	Australia	100%	100%
MAAS Administration Pty Ltd	Australia	100%	100%
Macquarie Geotechnical Pty Ltd	Australia	100%	100%
Amcor Excavations Pty Ltd	Australia	100%	100%
A1 Earthworx Mining & Civil Pty Ltd	Australia	100%	-
EMS Group Pty Ltd	Australia	100%	100%
EMS Sales Pty Ltd	Australia	100%	100%
EMS Labour Hire Pty Ltd	Australia	100%	100%
EMS Repairs Pty Ltd	Australia	100%	100%
EMS Equipment Hire Pty Ltd	Australia	100%	100%
EMS Admin Pty Ltd	Australia	100%	100%
Dubbo Parts Pty Ltd	Australia	100%	100%
PT JTECH Jasa Pertambangan	Indonesia	100%	100%
JLE Group Holdings Pty Ltd	Australia	100%	100%
JLE Electrical Projects Pty Ltd	Australia	100%	100%
JLE Manufacturing Pty Ltd	Australia	100%	100%
JLE Engineering Pty Ltd	Australia	100%	100%
JLE Admin Pty Ltd	Australia	100%	100%
JLE Hire Pty Ltd	Australia	100%	100%
JLE Utilities Services Pty Ltd	Australia	100%	100%
JLE Mining & Tunnelling Pty Ltd	Australia	100%	100%
DPG Civil Pty Ltd	Australia	100%	-
Elbac Pty Ltd	Australia	100%	-
Garde Services Pty Ltd	Australia	100%	-
Regional Group Australia Pty Ltd	Australia	100%	100%
Regional Hardrock Pty Ltd	Australia	100%	100%
Regional Hardrock Unit Trust	Australia	100%	100%
Regional Hardrock (Dubbo) Pty Ltd	Australia	100%	100%
Regional Quarries Australia Pty Ltd	Australia	100%	100%
Regional Hardrock (Willow Tree) Pty Ltd	Australia	100%	100%
Regional Hardrock Willow Tree Unit Trust	Australia	100%	100%
Regional Hardrock (Orange) Pty Ltd	Australia	100%	100%
Regional Hardrock (Inverell) Pty Ltd	Australia	100%	100%
Regional Hardrock Inverell Unit Trust	Australia	100%	100%
Regional Hardrock (Forbes) Pty Ltd	Australia	100%	100%
Regional Hardrock (Forbes) Unit Trust	Australia	100%	100%
Regional Hardrock (West Wyalong) Pty Ltd	Australia	100%	100%
Regional Hardrock (West Wyalong) Unit Trust	Australia	100%	100%
Regional Hardrock (Gilgandra) Pty Ltd	Australia	100%	100%
Regional Hardrock (Gilgandra) Unit Trust	Australia	100%	100%
Regional Sands (Dubbo) Pty Ltd	Australia	100%	100%

Note 38. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	2021 %
Regional Sands Dubbo Unit Trust	Australia	100%	100%
Sand Quarries Australia Pty Ltd	Australia	100%	100%
Regional Crushing & Screening Pty Ltd	Australia	100%	100%
Regional Concrete Australia Pty Ltd	Australia	100%	100%
Regional Precast Australia Pty Ltd	Australia	100%	100%
Regional Group Resources Pty Ltd	Australia	100%	100%
Amcor Quarries & Concrete Pty Ltd	Australia	100%	100%
Gracemere Property Pty Ltd	Australia	100%	100%
Gracemere Property Unit Trust	Australia	100%	100%
Regional Concrete (Tamworth) Pty Ltd	Australia	100%	100%
Regional Concrete Tamworth Unit Trust	Australia	100%	100%
Blackwater Quarries Pty Ltd	Australia	100%	-
Dawson Quarries Pty Ltd	Australia	100%	-
Regional Hardrock Yatala Pty Ltd	Australia	100%	-
Regional Hardrock Yatala Unit Trust	Australia	100%	-
MAAS Group Developments Pty Ltd	Australia	100%	100%
MAAS Group Westwinds Pty Ltd	Australia	100%	100%
MAAS Group Properties Durham Park Pty Ltd	Australia	100%	100%
MAAS Group Properties Bombira Pty Ltd	Australia	100%	100%
MAAS Group Properties Southlakes Pty Ltd	Australia	100%	100%
MAAS Group Properties Highlands Pty Ltd	Australia	100%	100%
MAAS Group Properties Magnolia Pty Ltd	Australia	100%	100%
MAAS Group Properties Arcadia Pty Ltd	Australia	100%	100%
MAAS Group Properties Logan Pty Ltd	Australia	100%	100%
MAAS Group Properties Eagle View Pty Ltd	Australia	100%	100%
MAAS Group Properties Browns Lane Pty Ltd	Australia	100%	100%
Eykan Holdings Pty Ltd	Australia	100%	100%
Bizitay Pty Ltd	Australia	100%	100%
Southlakes Child Care Centre No 1 Pty Ltd	Australia	100%	100%
Southlakes Child Care Centre No 1 Unit Trust	Australia	100%	100%
MAAS Homes Pty Ltd	Australia	100%	100%
MAAS Group Properties Ulan Pty Ltd	Australia	100%	100%
Gunnedah Land Holdings Pty Ltd	Australia	100%	100%
Gunnedah Property Unit Trust	Australia	100%	100%
MAAS Commercial Developments Pty Ltd	Australia	100%	100%
MAAS Self Storage (Western) Pty Ltd	Australia	100%	100%
MAAS Self Storage (Southern) Pty Ltd	Australia	100%	100%
MAAS Self Storage Southern Unit Trust	Australia	100%	100%
MAAS Residential Developments Pty Ltd	Australia	100%	100%
MAAS Group Construction Pty Ltd	Australia	100%	100%
MAAS Group Properties Bunglegumbie Pty Ltd	Australia	100%	100%
MAAS Group Properties Liberal Pty Ltd	Australia	100%	100%
MAAS Group Properties Liberal Unit Trust	Australia	100%	100%
Astley's Building Supplies Pty Limited	Australia	100%	-
Brett Harvey Constructions Pty Ltd	Australia	100%	-
Maas Building Materials Pty Ltd	Australia	100%	-
MAAS Building Pty Ltd	Australia	100%	-
Maas Commercial Bultje Holdings Pty Ltd	Australia	100%	-

Note 38. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Maas Commercial Bultje Unit Trust	Australia	100%	-
Maas Commercial CC SL No2 Unit Trust	Australia	100%	-
Maas Commercial Cobbora Pty Ltd	Australia	100%	-
Maas Commercial Cobbora Unit Trust	Australia	100%	-
Maas Commercial Fitzroy Pty Ltd	Australia	100%	-
Maas Commercial Fitzroy Unit Trust	Australia	100%	-
Maas Commercial Leeds Pty Ltd	Australia	100%	-
Maas Commercial Leeds Unit Trust	Australia	100%	-
Maas Commercial Oliver House Pty Ltd	Australia	100%	-
Maas Commercial Oliver House Unit Trust	Australia	100%	-
Maas Commercial Parafield Pty Ltd	Australia	100%	-
Maas Commercial Parafield Unit Trust	Australia	100%	-
Maas Commercial Shopping Centre SL UT PL	Australia	100%	-
Maas Constructions (Dubbo) Pty Ltd	Australia	100%	-
MAAS Group Properties 103 Prince Pty Ltd	Australia	100%	-
MAAS Group Properties Bunglegumbie East Pty Limited	Australia	100%	-
Maas Group Properties Collina Pty Ltd	Australia	100%	-
Maas Group Properties Ellida Pty Ltd	Australia	100%	-
MAAS Group Properties Killarney Pty Ltd	Australia	100%	-
Maas Group Properties Leeds Pty Ltd	Australia	100%	-
MAAS Group Properties Miriam Pty Ltd	Australia	100%	-
Maas Group Properties RBD Holdings PL	Australia	100%	-
Maas Group Properties RBD Unit Trust	Australia	100%	-
Maas Group Properties Sheraton View	Australia	100%	-
MAAS Group Properties Veravista Pty Ltd	Australia	100%	-
Maas Group RAAF Residential Pty Ltd	Australia	100%	-
Maas Investment Holdings Pty Ltd	Australia	100%	-
Maas Investment No1 Unit Trust	Australia	100%	-
Maas Investment Properties No1 Unit Trust	Australia	100%	-
Maas Property Management Pty Ltd	Australia	100%	-
Maas Self Storage (Canberra) Pty Ltd	Australia	100%	-
Maas Self Storage (Eastern) Pty Ltd	Australia	100%	-
Maas Plumbing Pty Ltd	Australia	100%	-
R Maas Investments Pty Ltd	Australia	100%	-
Regional Demolition Pty Ltd	Australia	100%	-
S Maas Investments Pty Ltd	Australia	100%	-
		-	-
Spacey Storage Pty Ltd	Australia	100%	-
Stanaway Pty Limited	Australia	100%	-
EMS International Pty Ltd	Australia	100%	100%
VMS Engineering Company Ltd	Vietnam	100%	100%
EMS Power Solutions UK Ltd	United Kingdom	100%	100%

Unless otherwise stated, the subsidiaries have share capital consisting solely of ordinary shares that are held directly by the consolidated entity, and the proportion of ownership interests held equals the voting rights held by the consolidated entity.

Transactions with non-controlling interests

30 June 2021

On 18 November 2020 the 25% minority interest held in VMS Engineering Company Limited (VMS) was acquired by MAAS Group Holdings Limited (MGH) for a cash consideration of $2.520m. Immediately prior to the acquisition, the carrying amount of the existing 25% non-controlling interest in VMS was $2.624m. The group recognised a decrease in non-controlling interests of $2.520m. The effect on the equity attributable to the owners of MGH during the year is summarised as follows:

Note 38. Interests in subsidiaries (continued)

	Consolidated 2021 $'000
Carrying amount of non-controlling interests acquired	2,624
Consideration paid to non-controlling interests	(2,521)
Gain from equity transaction with non-controlling interests transferred to *Non-controlling interests reserve* within equity (note 26)	103

Note 39. Events after the reporting period

(a) Share Placement
On 29 July 2022, the company announced its intention to undertake a capital raising of $105.000m via a Placement, comprising an Institutional Placement of $35.000m and a Founder and Management Placement of $70.000m via two separate tranches. Proceeds of the capital raising will be used to fund growth and acquisition initiatives, including near-term opportunities in the Construction Materials segment. Directors of MGH (or entities associated with them) and other Founding Shareholders and executives of MGH have committed approximately $70.000m in the Founder and Management Placement (subject to shareholder approval for related parties).

On 3 August 2022, MGH issued 8,750,000 fully paid ordinary shares in the company to institutional and professional investors under the Institutional Placement announced on 29 July 2022. The company also issued 1,287,500 fully paid ordinary shares in the company under Tranche 1 of the Founder and Management Placement announced on 29 July 2022. The second tranche is due to close post the meeting of shareholders to consider the proposed placement to directors of MGH, which if approved, is expected to occur in October 2022.

(b) Share purchase plan (SPP)
On 19 July 2022 MGH issued 636,364 fully paid shares in the company at an issue price of $5.50. These were the remaining shares to be issued to investors pursuant to outstanding commitments to subscribe for the Share Purchase Plan Shortfall previously announced and approved at the 2021 Annual General Meeting of 9 November 2021.

On 29 July 2022, as part of the capital raising announcement on 29 July 2022 outlined in (a) above, MGH also offered a Share Purchase Plan to eligible Australian and New Zealand shareholders to raise up to $10.000m. The results of the SPP are due to be announced on 19 August 2022.

(c) Dividend
The Directors declared a fully franked final dividend of 3.5 cents per share on 18 August 2022, which reflects a full year dividend of 5.5 cents per share, an increase of 10% from the prior year.

(d) Acquisition
Schwarz
On 1 July 2022, the consolidated entity entered into an agreement to acquire Schwarz Excavations Pty Ltd (Schwarz) for an initial cash payment of $34.858m and the issue of 913,194 shares in MGH for a total consideration of $38.620m (Acquisition Consideration). Further cash consideration may be payable, contingent on Schwarz achieving certain EBITDA targets for the three financial years following completion up to $3.000m. The acquisition completed on 22 July 2022. The financial effects of this transaction have not been recognised at 30 June 2022. The operating results and assets and liabilities of the acquired business will be consolidated from completion. The Schwarz business operations will be reported in the Civil, Construction & Hire segment.

The provisionally determined fair values of the assets and liabilities of acquisitions completed as at the date of this report are as follows:

	Fair value $'000
Working capital	3,600
Land	4,600
Plant and equipment	27,500
Provisions	(100)
Net assets acquired	35,600
Goodwill and other identifiable intangible assets	3,020
Acquisition-date fair value of the total consideration transferred	38,620

Note 39. Events after the reporting period (continued)

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 40. Cash flow information

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

	Consolidated	
	2022 $'000	2021 $'000
Profit after income tax expense for the year	61,562	34,742
Adjustments for:		
Depreciation and amortisation	30,569	15,706
Net gain on disposal of non-current assets	-	(85)
Net gain on disposal of property, plant and equipment	(2,649)	(1,031)
Net fair value gain on investment properties	(18,843)	(9,284)
Share of profit - associates	(761)	-
Share-based payments	769	352
Fair value adjustments to contingent consideration	(6,546)	26
Net loss on disposal of investment property	12	-
Unwinding of interest on vendor financing	464	317
Allowance for expected credit losses	-	(400)
Amortisation of borrowing costs	501	413
Change in operating assets and liabilities:		
Increase in trade and other receivables	(28,363)	(3,301)
Decrease/(increase) in contract assets	(18,166)	2,802
Increase in inventories	(44,590)	(4,290)
Increase in deferred tax assets	(6,452)	(547)
Decrease/(increase) in prepayments	(2,623)	311
Decrease/(increase) in current income tax receivable/payable	983	(4,170)
Decrease/(increase) in other operating assets	(1,551)	687
Increase in trade and other payables	12,736	2,514
Increase/(decrease) in contract liabilities	10,212	(65)
Increase in deferred tax liabilities	19,073	9,305
Increase in employee benefits	1,065	476
Increase/(decrease) in other provisions	49	(200)
Net cash from operating activities	7,451	44,278

Non-cash investing and financing activities - not previously disclosed

	Consolidated	
	2022 $'000	2021 $'000
Dividend reinvestment plan share issues	14,105	3,949
Share based payments	769	352
Partial settlement of business combinations through the issue of shares	49,633	6,708

Note 40. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Bank loans and Multi-option facility $'000	Vendor financing $'000	Leases $'000	Chattel mortgages $'000	Deferred and contingent consideration $'000	Convertible notes including derivative $'000	Loans due to shareholder and director related entities $'000	Total $'000
Balance at 1 July 2020	52,649	25,093	64,569	-	1,485	23,294	41,414	208,504
Net cash from/(used in) financing activities	(2,481)	(15,320)	(8,210)	6,091	(844)	-	(26,580)	(47,344)
Transfer to chattel mortgages	-	-	(30,714)	30,714	-	-	-	-
Shareholder and director loans converted into shares	-	-	-	-	-	-	(14,834)	(14,834)
Convertible notes converted into shares	-	-	-	-	-	(23,294)	-	(23,294)
Acquisition plant & equipment by means of finance lease	-	-	20,973	-	-	-	-	20,973
Changes through business combinations (note 37)	-	-	1,206	-	2,000	-	-	3,206
Fair value adjustment on contingent consideration	-	-	-	-	25	-	-	25
Acquisition of land held for resale	-	7,777	-	-	-	-	-	7,777
Acquisition of quarry land	-	2,750	-	-	-	-	-	2,750
Amortisation and present value unwinding	413	339	-	-	-	-	-	752
Balance at 30 June 2021	50,581	20,639	47,824	36,805	2,666	-	-	158,515
Net cash from/(used in) financing activities	148,050	(14,599)	(13,312)	29,888	(1,323)	-	-	148,704
Acquisition plant & equipment by means of finance lease	-	-	1,572	-	-	-	-	1,572
Changes through business combinations (note 37)	-	-	2,132	-	23,055	-	-	25,187
Fair value adjustment on contingent consideration	-	-	-	-	(6,546)	-	-	(6,546)
Acquisition of land held for resale	-	11,818	-	-	-	-	-	11,818
Acquisition of investment property	-	6,650	-	-	-	-	-	6,650
Amortisation and present value unwinding	501	464	-	-	-	-	-	965
Balance at 30 June 2022	199,132	24,972	38,216	66,693	17,852	-	-	346,865

Note 41. Earnings per share

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Profit after income tax	61,562	34,742
Non-controlling interest	-	(172)
Profit after income tax attributable to the owners of MAAS Group Holdings Limited	61,562	34,570

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	287,412,227	240,495,220
Adjustments for calculation of diluted earnings per share:		
Deferred consideration: shares to be issued to the vendor of Amcor on second anniversary of the acquisition (note 25)	707,547	9,318
Share rights granted to employees of Macquarie Geotechnical Pty Ltd to be issued in three equal tranches on the third, fourth and fifth anniversaries of the acquisition (note 42 (b))	1,346,687	704,704
Performance rights (note 42 (a))	51,854	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	289,518,315	241,209,242

	Cents	**Cents**
Basic earnings per share	21.42	14.37
Diluted earnings per share	21.26	14.33

Accounting policy for earnings per share

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

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 42. Share-based payments

(a) Long term incentive plan
On 9 November 2021, the company's members approved a Long Term Incentive Plan (the Plan) to enable equity incentives including Performance Rights, Options, and Shares to be issued under the Plan to eligible Directors, employees and contractors.

The Plan is to assist the company to attract and retain key staff, whether employees or contractors. The Plan will:
- enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company’s business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company; and
- align the financial interest of participants of the Plan with those of Shareholders.

On 23 December 2021, the Board granted 37,736 performance rights to an employee. 50% of the performance rights will vest 12 months after the grant date and the remaining 50% will vesting 24 months after the grant date. Vesting of each of the performance rights are contingent on the employee remaining employed with MGH with any non-vested performance rights forfeited at the date of resignation. The performance rights are subject to individual key performance indicators. The value of the performance rights granted was $186,793.

Note 42. Share-based payments (continued)

On 30 June 2022, the Board granted 143,291 performance rights to employees. For the five tranches totalling 43,478 performance rights, 20% of these rights will vest on 22 March 2023 with the remaining 80% vesting equally over a further 4-year period ending 22 March 2027 (20% per annum). For the three tranches totalling 99,813 performance rights, 33.3% of the performance rights will vest 12 months after the issue date and the remaining 66.67% will vest equally over a further 2-year period ending 30 June 2025 (33.33% per annum). Vesting of each of the above tranches are contingent on the respective employees remaining employed with MGH with any non-vested performance rights forfeited at the date of resignation. All performance rights are subject to individual key performance indicators. The value of the performance rights granted was $650,000.

(b) Share rights
On 21 December 2020, MAAS Group Holdings Limited (MGH) agreed to an issue of 1,346,687 ordinary shares in MGH to the employees of Macquarie Geotechnical Pty Ltd (refer *Business combinations* note 37). The shares will be issued in three equal tranches on the third, fourth, and fifth anniversaries of the completion date (21 December 2020) of the Macquarie Geotechnical Pty Ltd acquisition. The total value of the rights granted is $2,693,737 based on $2 per share and will be expensed over the vesting period.

(c) Summary of movements in share rights and performance rights
Set out below are summaries of share rights and the performance rights:

2022

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20/12/2020	20/12/2023	$0.00	448,896	-	-	-	448,896
20/12/2020	20/12/2024	$0.00	448,896	-	-	-	448,896
20/12/2020	20/12/2025	$0.00	448,895	-	-	-	448,895
23/12/2021	23/12/2022	$0.00	-	18,868	-	-	18,868
23/12/2021	23/12/2023	$0.00	-	18,868	-	-	18,868
30/06/2022	22/03/2023	$0.00	-	8,696	-	-	8,696
30/06/2022	22/03/2024	$0.00	-	8,696	-	-	8,696
30/06/2022	22/03/2025	$0.00	-	8,696	-	-	8,696
30/06/2022	22/03/2026	$0.00	-	8,695	-	-	8,695
30/06/2022	22/03/2027	$0.00	-	8,695	-	-	8,695
30/06/2022	30/06/2023	$0.00	-	33,271	-	-	33,271
30/06/2022	30/06/2024	$0.00	-	33,271	-	-	33,271
30/06/2022	30/06/2025	$0.00	-	33,271	-	-	33,271
			1,346,687	181,027	-	-	1,527,714

2021

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20/12/2020	20/12/2023	$0.00	-	448,896	-	-	448,896
20/12/2020	20/12/2024	$0.00	-	448,896	-	-	448,896
20/12/2020	20/12/2025	$0.00	-	448,895	-	-	448,895
			-	1,346,687	-	-	1,346,687

The weighted average remaining contractual life of share rights and performance rights outstanding at the end of the financial year was 2.42 years (2021: 3.48 years).

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 42. Share-based payments (continued)

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

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

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

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

MAAS Group Holdings Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

This declaration is made in accordance with a resolution of the Board of Directors.

Stephen G Bizzell	Wesley J Maas
Chairman	Managing Director and Chief Executive Officer

18 August 2022
Dubbo

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INDEPENDENT AUDITOR'S REPORT

To the members of Maas Group Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Maas Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

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.

Revenue Recognition

Key audit matter	*How the matter was addressed in our audit*
The assessment of revenue recognition was significant to our audit because revenue is a material balance in the financial statements for the year ended 30 June 2022 and the Group derives revenue from a significant number of streams. The assessment of revenue recognition and measurement required significant auditor effort.	Our procedures included, amongst others: • Assessing the revenue recognition policy for compliance with AASB 15 *Revenue from Contracts with Customers* • Documenting the processes and assessing the internal controls relating to revenue processing and recognition • Tracing a sample of revenue transactions to supporting documentation • Assessing the adequacy of the Group's disclosures within the financial statements.

Valuation and disclosures of non-financial assets including goodwill, PPE and indefinite life intangibles

Key audit matter	*How the matter was addressed in our audit*
The Group's disclosures in respect to intangible assets, including the impairment assessments of goodwill and other intangible assets are included in Note 18. The carrying value of intangible assets represent a significant asset of the Group. The Group is required to annually test the amount of goodwill and indefinite useful life intangible assets for impairment and assess other intangible assets for impairment indicators. This annual impairment test was significant to our audit because the goodwill and intangible assets balance is material to the financial statements and because management's assessment process is complex, highly judgmental and includes estimates and assumptions relating to expected future market or economic conditions.	Our procedures included, amongst others: • Evaluating management's determination of the Group's Cash Generating Units ("CGU's") to ensure they are appropriate, including being at a level no higher than the operating segments of the entity • Evaluating management's process regarding the valuation of the Group's goodwill and other intangible assets • Assessing the Group's assumptions and estimates relating to forecast revenue, costs, capital expenditure, discount rates and growth rates • Involving our internal specialists to assess the discount rates against comparable market information • Assessing the disclosures related to the impairment assessment by comparing these disclosures to our understanding of the matter and the applicable accounting standards • Challenging key assumptions by performing sensitivity analysis on the growth rates and discount rate assumptions used.

Business combinations and contingent consideration

Key audit matter	*How the matter was addressed in our audit*
The Group's disclosures in respect to business combinations are included in note 37 and contingent consideration is within note 23. The audit of the accounting for the business combinations is a key audit matter due to the significant judgment and complexity involved in assessing the determination of the fair value of identifiable intangible assets and the consideration paid/payable. Contingent consideration was present in some business combinations during the period, which required fair valuing at initial recognition and reporting date. The assessment of business combinations and contingent consideration required significant auditor effort.	Our procedures included, amongst others: • Obtaining an understanding of the transactions including an assessment of the accounting acquirer and whether the transaction constituted a business or an asset acquisition • Comparing the assets and liabilities recognised on acquisition against the historical financial information • Evaluating management's assessment of the fair value of the consideration paid/payable • Evaluating management's assessment of the identifiable assets and liabilities acquired • Engaging with internal experts on the appropriateness of the calculation of identifiable intangible assets • Assessing the adequacy of the Group's disclosures of the acquisitions • Evaluating management's assessment of each of the contingent amounts booked at acquisition date and reporting date, including the accounting for contingent consideration in the form of shares or cash • Reviewing and challenging management's assumptions in respect of the probability of occurrence linked to financial hurdles and non-financial hurdles, at initial recognition and reporting date.

Investment properties

Key audit matter	*How the matter was addressed in our audit*
The balance of investment properties is material and determining the fair value involves significant judgements. Significant auditor effort and focus was required on this balance resulting in this being a key audit matter for our audit.	Our procedures included, amongst others: • Evaluating management's assessment of the fair value of the properties by obtaining external valuations for investment properties held at year end

Key audit matter	*How the matter was addressed in our audit*
	• Assessing the professional competence and objectivity of the valuer and evaluate the appropriateness of the methods and assumptions used • Reviewing management's classification of assets to ensure classification in the financial statements is in accordance with AASB 140. • Critically assessing the disclosures in relation to the determination of the fair value of the investment properties by comparing these disclosures to the external valuations obtained and our understanding of the applicable accounting standards.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the directors' report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Maas Group Holdings Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

K L Colyer
Director

Brisbane, 18 August 2022