



BSA Limited

Half-Year Report

31 December 2022

ABN 50 088 412 748

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Half-Year information to the ASX under Listing Rule 4.2A

Name of entity	BSA Limited
ABN or equivalent company reference	ABN 50 088 412 748
Half-year	31 December 2022 (Previous corresponding period: 31 December 2021)
Current reporting period	1 July 2022 to 31 December 2022
Prior corresponding period	1 July 2021 to 31 December 2021

Results for announcement to the market

				31 December 2022	31 December 2021
				\$'000	\$'000
Continuing operations					
Revenue from ordinary activities	up	0.4%	to	123,002	122,509
Profit/(Loss) after income tax expense (PAT)	up	107.3%	to	1,367	(18,813)
Discontinuing operations					
Loss after income tax benefit (LAT)				(10,772)	(3,165)
Loss from ordinary activities after tax attributable to the owners of BSA Limited	down	57.2%	to	(9,405)	(21,978)
Loss for the half year attributable to the owners of BSA Limited	down	57.2%	to	(9,405)	(21,978)

Net tangible assets

	31 December 2022	30 June 2022
	Cents	Cents
Net tangible asset backing per ordinary share	(53.75)	(42.02)*

*For comparative purposes, 30 June 2022 was restated to reflect the 1 for 8 share consolidation.

Additional Appendix 4D disclosure requirements and further information, including commentary on significant features of the operating performance, results of segments, trends in performance, and other factors affecting the results for the current period, are contained in the Half-Year Financial Report 31 December 2022 and the Investor Presentation.

The Condensed Consolidated Financial Statements contained within the Half-Year Financial Report 31 December 2022, upon which this report is based, have been reviewed by BDO Audit Pty Ltd.





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This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by BSA Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

Its registered office is:
BSA Limited
Level 14, Tower B, The Zenith
821 Pacific Highway
Chatswood NSW 2067

Its shares are listed on the Australian Securities Exchange.

DIRECTORS' REPORT

Directors' Report

The Directors present their report on the consolidated entity consisting of BSA Limited ("the Group") and the entities it controlled at the end of, or during, the half year ended 31 December 2022.

Directors

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

Nicholas Yates – Non-Executive Interim Chairman

Christopher Halios-Lewis – Non-Executive Director

David Prescott – Non-Executive Director

Michelle Cox – Independent Non-Executive Director

Brendan York – Non-Executive Director

REVIEW OF OPERATIONS

Overview

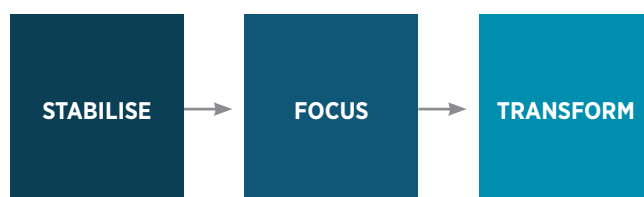
BSA's continuing operations half year revenue increased marginally to \$123.0 million compared to prior comparative period. While revenue marginally improved from consistent volumes from customers, gross margin increased from 18% to 23% due to favourable margin mix in work completed. This delivered a significantly increased Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$6.4 million for continuing operations.

Financial performance

	31 December 2022	31 December 2021	Variance
	\$'000	\$'000	\$'000
Revenue			
Continuing Operations	123,002	122,509	493
Discontinuing Operations			
APS Maintain	81,193	66,047	15,146
APS Fire Build	18,969	29,036	(10,067)
Total Revenue	223,164	217,592	5,572
EBITDA pre-significant items			
Continuing Operations	6,370	916	5,454
Discontinuing Operations			
APS Maintain	(2,345)	(2,623)	278
APS Fire Build	(7,703)	(319)	(7,384)
Total EBITDA pre-significant items	(3,678)	(2,026)	(1,652)

The health, safety and wellbeing of our people remain our focus which is underpinned by our value of 'we work safe and go home safe'. The Group continues to invest into safety programs, initiatives and monthly focus areas which have yielded positive results. Our injury frequency rates remained relatively stable. Lost Time Injuries (LTIFR) decreased marginally from 3.56 to 2.05 whilst Total Recordable Injuries (TRIFR) decreased from 7.39 to 4.09 over the past 12 months.

BSA continues to execute its simple three-horizon strategy with emphasis on stability, profitability and growth.



As part of this strategy, on 23 November 2022, BSA entered into an agreement to sell its APS Maintain business to CBRE Group, Inc. This transaction now enables the Group to focus on the telecommunication sectors and complementary markets. The sale was completed on 3 February 2023 for \$20.0 million before working capital adjustments and transactions costs. BSA will utilise the sale proceeds from APS Maintain to increase working capital to meet operational costs, thus strengthening the Group's Balance sheet.

In line with the Group's strategic direction, the Group made a decision to hold its APS Fire Build business as an asset held for sale.

The transaction further aligns our focus in the telecommunication markets. The Group will continue to develop its core capabilities and strengths as one of Australia's leading providers of diversified services to the telecommunications sector with a strong reputation and brand recognition.

DIRECTORS' REPORT

Continuing Operations

Communications & Utility Infrastructure (CUI) delivered \$123.0 million in revenue which was a marginal increase of 0.4% compared to prior comparative period. Volumes on nbn have remained stable with favourable mix of work and less mobilisation costs delivering a higher gross margin and therefore increased EBITDA. Other platforms, including the recently won Intellihub contract, are now fully mobilised and benefiting from normalised delivery volumes.

In addition, rationalisation of corporate operating costs in the prior year contributed to the improved EBITDA.

Discontinued Operations

Advance Property Solutions (APS) delivered \$100.1 million in revenue which was up 5.3% on the prior comparative period.

APS Maintain profitability was impacted by lower margin mix on reactive work as well as transaction costs of approximately \$0.4 million.

The APS Fire Build business was impacted by poor project performance as a result of project delays, consequential price increases and supply chain disruption.

Reconciliation from EBITDA Pre-significant items to Net loss after Tax:

	Notes	31 December 2022 \$'000	31 December 2021 \$'000
EBITDA pre-significant items – Continuing operations		6,370	916
Significant items		-	(23,879)
Depreciation and amortisation expense		(2,197)	(3,542)
Finance costs		(1,341)	(980)
Profit/(Loss) before income tax benefit		2,832	(27,485)
Income tax (expense)/ benefit		(1,465)	8,672
Loss after income tax benefit from discontinued operations	5	(10,772)	(3,165)
Net loss after tax		(9,405)	(21,978)

Operating Cash Flow

The Group cashflow performance includes continuing and discontinued operations. Operating cash outflows improved 12% to \$10.8 million compared to the previous comparative period (\$12.3 million). Net cash outflow for the half year was driven by realignment on a key customer's payment terms and the payment of previously provisioned legal settlements.

The Group borrowed an additional net \$2.4 million. BSA continues to manage its cash flows and net working capital balances to minimise utilisation of available financing facilities.

Balance Sheet & Funding

The Group has \$30.7 million of undrawn financing facilities at 31 December 2022 primarily relating to its borrowing base facility. The net debt position at 31 December 2022 was \$10.9 million; with the debt portion comprised of working capital facilities, compared to a net debt position of \$4.1 million in the pcp with the decline driven primarily by the operating cash outflow noted above.

Subsequent to 31 December 2022, the Group's finance facilities with CBA have been reduced to align and support the continuing operations of the business. The cash advance facility of \$6.0 million was removed and the working capital facility of \$37.5 million reduced to \$15.0 million. The revised facilities are provided on similar terms to the Group's existing arrangements.

On 3 February 2023 the Group completed the APS Maintain transaction and received \$20.0 million in funds before working capital and transaction costs.

On 29 July 2022, the Group issued 1,125,457 ordinary shares (pre-consolidation) at 5.6 cents per share following the vesting and conversion of performance rights. These performance rights vested based on performance metrics achieved during the year ended 30 June 2020 which were then subject to a service condition expiring in the year ended 30 June 2022. The ordinary shares rank equally with existing shareholders.

On the 29 November 2022, the Group undertook a consolidation of shares on a 1 for 8 basis. The numbers of shares were consolidated from 572,066,780 to 71,508,980. On the basis of the 1:8 consolidation, 134,364,003 listed options were consolidated to 16,795,572 listed options.

On 2 December 2022, the Group issued 982,154 performance rights under the Group's Rights Plan. The performance rights are subject to a service condition vesting equally across the financial years ended 30 June 2023 and 30 June 2024. The performance rights were issued to key employees as a retention award aligning with the Group's overall people strategy.



Outlook

Continuing operations delivered stable results over the half and is expected to yield similar results in the second half. The group will undergo cost rationalisation to align to continuing operations post APS Maintain divestment.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Rounding of amounts

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

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

Nicholas Yates *Brendan York*

Nicholas Yates
Interim Chair

Brendan York
Non-Executive Director

AUDITOR'S INDEPENDENCE DECLARATION



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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF BSA LIMITED

As lead auditor for the review of BSA Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of BSA Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'John Bresolin', is written over a light blue horizontal line.

John Bresolin
Director

BDO Audit Pty Ltd

Sydney, 24 February 2023

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 \$'000	31 December 2021 \$'000
Continuing operations			
Revenue and other income	2	123,002	122,509
Subcontractors and raw materials used		(94,666)	(100,224)
Employee benefits expense		(16,625)	(19,978)
Depreciation and amortisation expense		(2,197)	(3,542)
Finance costs		(1,341)	(980)
Significant items	3	-	(23,879)
Other expenses		(5,341)	(1,391)
Profit/(Loss) before income tax benefit		2,832	(27,485)
Income tax (expense)/ benefit		(1,465)	8,672
Profit/(Loss) after income tax benefit from continuing operations		1,367	(18,813)
Discontinued operations			
Loss after income tax benefit from discontinued operations	5	(10,772)	(3,165)
Other comprehensive income		-	-
Total comprehensive income for the period		(9,405)	(21,978)
		cents	cents
Continuing Earnings per share			
Basic earnings per share		1.92	(4.33)
Diluted earnings per share		1.92	(4.33)
Total Earnings per share			
Basic earnings per share		(13.18)	(5.05)
Diluted earnings per share		(13.18)	(5.05)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	31 December 2022 \$'000	30 June 2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		1,912	13,441
Trade and other receivables		23,584	58,695
Contract assets		61	17,936
Inventories		397	1,104
Current tax receivables		354	-
Assets classified as held for sale	5	59,462	-
Total current assets		85,770	91,176
Non-current assets			
Property, plant and equipment		8,421	13,557
Intangible assets		5,665	5,721
Deferred tax assets		16,128	17,174
Total non-current assets		30,214	36,452
Total assets		115,984	127,628
LIABILITIES			
Current liabilities			
Trade and other payables		31,115	60,911
Contract liabilities		180	7,185
Borrowings	6	13,933	11,500
Lease liabilities		2,177	3,512
Provisions		11,130	20,938
Liabilities directly associated with assets classified as held for sale	5	50,051	-
Total current liabilities		108,586	104,046
Non-current liabilities			
Trade and other payables	3	8,781	-
Lease liabilities		4,836	7,285
Provisions		10,215	23,389
Total non-current liabilities		23,832	30,674
Total liabilities		132,418	134,720
Net liabilities		(16,434)	(7,092)
EQUITY			
Issued capital		114,857	114,530
Accumulated losses		(131,869)	(122,464)
Profit reserve		471	471
Share-based payment reserve		107	371
Total equity		(16,434)	(7,092)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	Issued capital \$'000	Accumulated Losses \$'000	Profit reserve \$'000	Share-based payment reserve \$'000	Total equity \$'000
Balance at 1 July 2021		100,861	(80,222)	2,044	1,427	24,110
Loss for the half-year		-	(21,978)	-	-	(21,978)
Total comprehensive income for the half-year		-	(21,978)	-	-	(21,978)
Dividends provided for or paid	4	502	-	(2,173)	-	(1,671)
Issue of shares		323	-	-	(321)	2
Share-based payment expense		-	-	-	(10)	(10)
Transfers between reserves		-	-	600	(600)	-
Balance at 31 December 2021		101,686	(102,200)	471	496	453
Balance at 1 July 2022		114,530	(122,464)	471	371	(7,092)
Loss for the half-year		-	(9,405)	-	-	(9,405)
Total comprehensive income for the half-year		-	(9,405)	-	-	(9,405)
Issue of shares		327	-	-	(297)	30
Share-based payment expense		-	-	-	33	33
Balance at 31 December 2022		114,857	(131,869)	471	107	(16,434)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities			
Receipts from customers		240,794	252,229
Payments to suppliers and employees		(249,758)	(263,480)
Interest paid		(1,071)	(816)
Income taxes paid		(774)	(188)
Net cash outflow from operating activities		(10,809)	(12,255)
Cash flows from investing activities			
Payments for property, plant and equipment		(691)	(135)
Payments for intangible assets		(313)	(741)
Proceeds from sale of property, plant and equipment		-	229
Net cash outflow from investing activities		(1,004)	(647)
Cash flows from financing activities			
Proceeds from borrowings	6	15,092	10,171
Proceeds from repayment of executive loan		-	198
Repayment of borrowings		(12,646)	(1,990)
Principal elements of lease payments		(2,162)	(3,186)
Dividends paid	4	-	(1,671)
Net cash inflow from financing activities		284	3,522
Net decrease in cash and cash equivalents		(11,529)	(9,380)
Cash and cash equivalents at the beginning of the half-year		13,441	12,821
Cash and cash equivalents at end of the half-year		1,912	3,441

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1 BASIS OF PREPARATION OF THE HALF-YEAR REPORT

This consolidated half-year financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and reflects the financial performance and position of BSA Limited (the "Company") and its subsidiaries (the "Group").

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by BSA Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Apart from the change outlined in note 5:

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

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

Going concern basis

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

The Group delivered the following for the half-year ended 31 December 2022:

- A current period net loss after tax of \$9,405 thousand (31 December 2021: \$21,978 thousand);
- A current period net operating cash outflow of \$10,809 thousand (31 December 2021: \$12,255 thousand);
- Net continuing current liabilities of \$32,225 thousand (30 June 2022: \$12,870 thousand net current liabilities);
- Net continuing liabilities of \$16,433 thousand (30 June 2022: \$7,092 thousand net liabilities);
- Cash and cash equivalents of \$1,912 thousand (30 June 2022: \$3,441 thousand); and
- Net debt of \$12,800 thousand (30 June 2022: \$ 11,500 thousand).

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

- the Group announced the divestment of its APS Maintain business for \$20,000 thousand in cash, subject to working capital adjustments and transactions costs, which completed on 3 February 2023. The divestment removes a loss-making division, material overhead costs and operational liabilities from the Group on a go-forward basis;
- the Group holds the APS Fire Build business for sale and intends to exit the Fire Build business to limit further trading losses;
- the Group has a short-term funding facility of \$15,000 thousand available to draw as required for working capital purposes. The facility continues to be subject to Review Events (driven by current period continuing operations financial performance based on a pre-defined EBITDA measure). The Group has obtained waivers with respect to Review Events embodied in actual and forecast financial position and performance for the half year ended 31 December 2022. The Review Event requirements have been modified for the quarter ending 31 March 2023 and 30 June 2023 with the forecast profitability in the model outlined below demonstrating that the Group will operate within the Review Event requirements over this period; and
- \$15,600 thousand relates to the remaining settlement of the Class Action with \$6,600 thousand payable by June 2023 and \$9,000 thousand payable by June 2024.

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

- Management's best estimate of revenue and gross margin in line with inflation and current product mix for continuing operations;
- Proceeds of \$20,000 thousand from the divestment of APS Maintain which will be used to increase working capital to meet operational expenses of the Group;
- Disciplined working capital management;
- No payment of dividends until the Class Action settlement payments are completed by June 2024.

Based on the forecast, the Group will have sufficient cash flows and liquidity for at least 12 months from the date of signing the financial report. Accordingly, the Directors have determined it is appropriate to continue to adopt the going concern basis in preparing this interim financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

2 SEGMENT AND REVENUE INFORMATION

Description of segments

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

- **BSA | Communications & Utility Infrastructure (CUI):** provides services to the telecommunications, subscription television and utility industries. This includes the delivery of bundled services over fixed line and wireless networks, the installation of subscription television and the installation of smart meters,
- **Other:** corporate support services provided across the Group.
- **BSA | Advanced Property Solutions (APS):** is disclosed in Note 5 Discontinued operations.

Segment performance is disclosed below:

Continuing operations	Revenue		Segment Profit/(Loss)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'000	\$'000	\$'000	\$'000
Communications & Utility Infrastructure	123,002	122,509	8,785	3,433
Other	-	-	(2,415)	(2,517)
Revenue and EBITDA pre-significant items	123,002	122,509	6,370	916
Significant items			-	(23,879)
Depreciation and amortisation expense			(2,197)	(3,542)
Finance costs			(1,341)	(980)
Profit/(Loss) before tax from continuing operations			2,832	(27,485)
Income tax (expense)/benefit			(1,465)	8,672
Profit/(Loss) after tax from continuing operations			1,367	(18,813)

3 SIGNIFICANT ITEMS

	31 December 2022	31 December 2021
	\$'000	\$'000
Legal and professional fees relating to legacy issues	-	476
Class Action settlement and associated legal defence costs	-	23,023
Initial due diligence related costs	-	380
Total significant items	-	23,879

On 28 July 2022, the Federal Court approved the agreed terms of settlement in relation to a Class Action that was served on the Group in August 2020. The total settlement amount of \$20,000 thousand is paid or payable as following:

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

The settlement of the proceedings was without admission of liability and each party had to pay their own costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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

The discounted payables related to the Class Action (current: \$6,546 thousand, non-current: \$8,781 thousand) have been reclassified from provisions to trade and other payables, due to the timing and settlement amounts payable being certain.

4 DIVIDENDS

Ordinary shares

	31 December 2022	30 June 2022
	\$'000	\$'000
Final dividend	-	2,173

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

No dividends have been declared for the current period and future dividends will be subject to restrictions imposed by the Class Action Settlement Deed with Shine Lawyers including the requirement that each year's tranche is paid prior to the declaration of any dividends.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

5 DISCONTINUED OPERATIONS

Following a strategic review, the BSA Group has classified the APS division as assets held for sale.

APS Maintain

On 23 November 2022, the Group entered into an agreement to sell its APS Maintain business for \$20,000 thousand, with completion of the sale occurring on 3 February 2023.

Fire Build

The Group intends to exit the Fire Build business and has initiated an active program to locate a buyer for its Fire Build business. Consequently, the assets and liabilities of the APS businesses have been classified as held for sale at 31 December 2022. The associated earnings, for the current and comparative periods, have been classified as discontinued operations in the consolidated statement of profit or loss and other comprehensive income and all related note disclosures.

Financial information for discontinued operations is summarised below:

	31 December 2022	31 December 2021
	\$'000	\$'000
Revenue	100,162	95,083
Expenses	(110,778)	(98,610)
Transaction costs	(363)	-
Loss before tax	(10,979)	(3,527)
Income tax benefit	207	362
Loss for the period from discontinued operations	(10,772)	(3,165)
Cash flows from/(used in) discontinued operations		
Net cash outflow from operating activities	(4,749)	1,531
Net cash outflow from investing activities	(388)	94
Net cash outflow from financing activities	(696)	(372)
	(5,833)	1,253

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Financial information for discontinued operations is summarised below:

	31 December 2022
Assets and liabilities of discontinued operations classified as held for sale	\$'000
Assets	
Trade receivables and other receivables	38,459
Contract assets	16,862
Inventories	146
Property, plant and equipment	3,788
Deferred tax assets	207
Total assets	59,462
Liabilities	
Trade and other payables	30,232
Contract liabilities	10,757
Borrowings	13
Lease liabilities - Current	1,353
Provisions - Current	6,083
Lease liabilities - Non-Current	1,174
Provisions - Non-Current	439
Total liabilities	50,051
Net assets	9,411

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

6 BORROWINGS

Financing arrangements

	31 December 2022	30 June 2022
	\$'000	\$'000
Borrowing Base Facility		
Facility Limit	37,500	37,500
Used	(7,800)	(6,500)
Unused	29,700	31,000
Cash Advance Facility		
Facility Limit	6,000	6,000
Used	(5,000)	(5,000)
Unused	1,000	1,000
Insurance Funding Facility		
Facility Limit	1,146	-
Used	(1,146)	-
Unused	-	-
Total unused facilities at balance date	30,700	32,000

Subsequent to 31 December 2022, the Group's finance facilities with CBA have been reduced to align and support the continuing operations of the business. The cash advance facility of \$6,000 thousand was removed and the working capital facility of \$37,500 thousand reduced to \$15,000 thousand. The revised facilities are provided on similar terms to the Group's existing arrangements.

In addition to the above arrangements, the Group has a bank guarantee facility of \$26,500 thousand (30 June 2022: \$26,500 thousand), of which \$25,568 thousand (30 June 2022: \$23,554 thousand) was utilised. Subsequent to 31 December 2022, the bank guarantee facility was decreased to \$19,500 thousand.

The Group also has a surety bond facility with Swiss Re International SE of \$12,000 thousand (30 June 2022: \$12,000 thousand), of which \$6,578 thousand (30 June 2022: \$8,896 thousand) was utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

7 CONTINGENT LIABILITIES

- i) Established in favour of National Australia Bank, the Commonwealth Bank of Australia and Swiss Re International SE for guarantees issued to various clients for satisfactory contract performance, secured by cross guarantees from all wholly-owned group members amounting to \$32,146 thousand (30 June 2022: \$23,651 thousand).
- ii) Certain claims, including those arising out of construction contracts, have been made by, or against, the Group in the ordinary course of business.

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

Provisions

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

8 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 23 November 2022, the Group entered into an agreement to sell its APS Maintain business to CBRE Group, Inc. The completion of the sale occurred on 3 February 2023. The Group has received proceeds of \$20,000 thousand before working capital adjustments and transaction costs.

No other significant events have occurred subsequent to 31 December 2022 and up to the date of this report that have a material impact on the Group's financial performance or position.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Mr Nicholas Yates

Interim Chair
Sydney

24 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BSA LIMITED



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BSA Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of BSA Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other matter

The financial report of BSA Limited, for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on that report on 23 August 2022.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BSA LIMITED



Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

BSA
J. Bresolin

John Bresolin
Director

Sydney, 24 February 2023

CORPORATE DIRECTORY

BSA Limited - Corporate

Registered Office (Sydney)

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