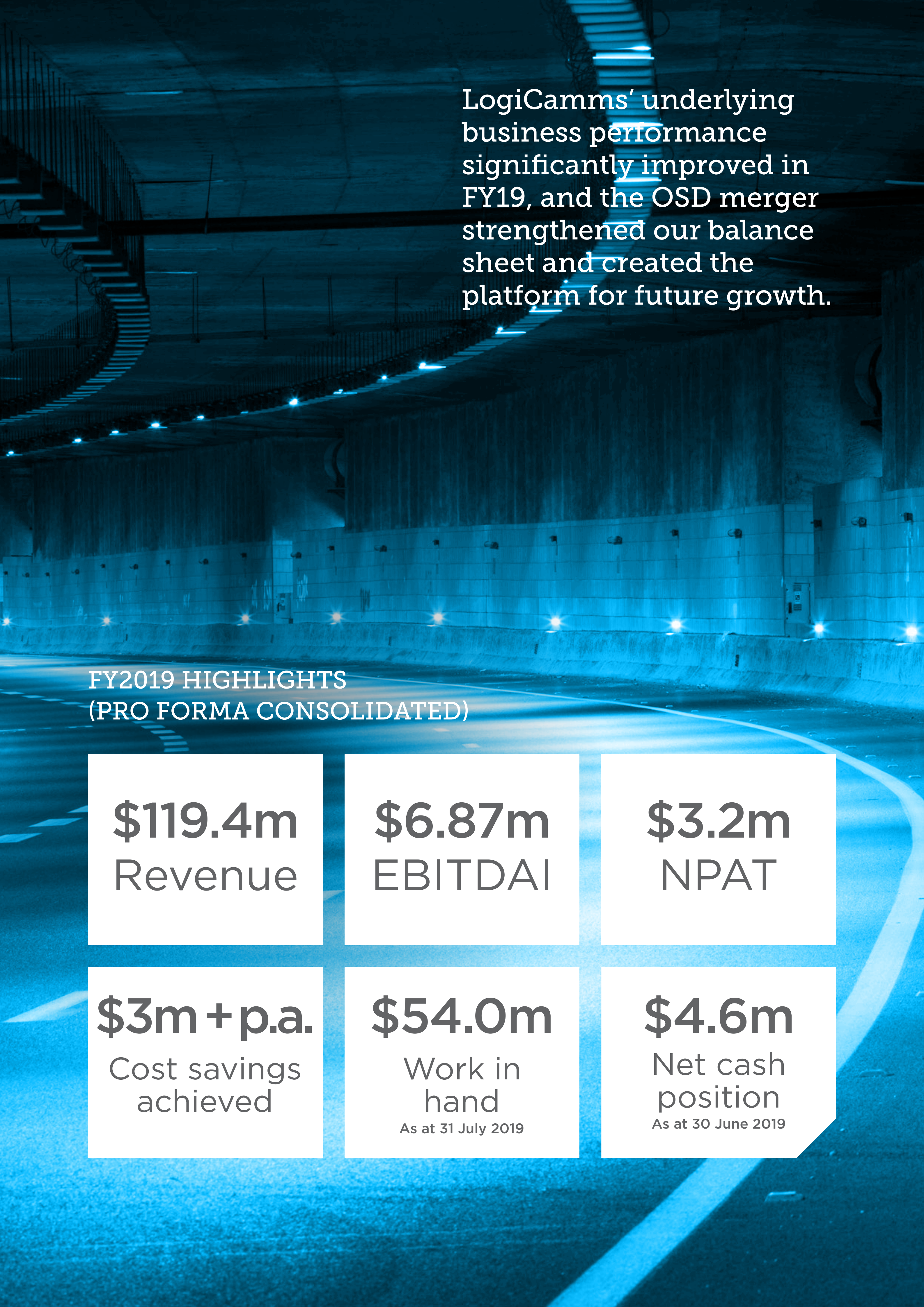
2019 ANNUAL REPORT

OUTSTANDING SERVICE DELIVERY THROUGH INNOVATIVE ENGINEERING, PROJECT AND OPERATIONS SOLUTIONS

LogiCamms
OUTSTANDING SERVICE DELIVERY
A MERGER OF OSD & LOGICAMMS

INSIDE THIS REPORT



LogiCamms' underlying business performance significantly improved in FY19, and the OSD merger strengthened our balance sheet and created the platform for future growth.

FY2019 HIGHLIGHTS (PRO FORMA CONSOLIDATED)

$119.4m Revenue	**$6.87m** EBITDAI	**$3.2m** NPAT
$3m+p.a. Cost savings achieved	**$54.0m** Work in hand As at 31 July 2019	**$4.6m** Net cash position As at 30 June 2019

CHAIRPERSON'S REPORT

The 2019 financial year was a year of significant change for LogiCamms. The operating performance of the business improved and the transaction with OSD strengthened the Company's financial position and provided the platform for future growth.

Following the resignation of Flora Furness as Chief Executive Officer in July 2018, Chief Financial Officer Dan Drewe took on the role of Interim Chief Executive Officer while the company conducted a search for a new CEO. The search culminated successfully in the appointment of Chris O'Neill to the position in November 2018.

A transaction with OSD was the Board's chosen option to meet the objective of strengthening the balance sheet because it provided the lower risk, higher growth opportunity for LogiCamms' shareholders. The transaction moved through Term Sheet and Sales and Purchase Agreement stages during the second half of the 2019 financial year and was approved by more than 99% of shareholder votes received at the EGM on 24 June 2019. The transaction was completed on 28 June 2019.

The Company now has a significant number of executives who are also shareholders thus providing added incentive, and alignment with all shareholders, to drive the success of the merged business.

Financial position

As part of the transaction, OSD brought net cash of $8.1 million to the business which allowed the merged Company to pay down debt, negotiate new facilities with the NAB, and achieve the FY19 goal to strengthen the Company's balance sheet. At 30 June 2019, net cash balance was $4.6 million.

Year in review

The 2019 financial year has been a year of rebuilding and refocusing for the business.

LogiCamms had no recordable health and safety incidents in the year and reported a Total Recordable Injury Frequency Rate of zero, which is an excellent result and a credit to our people.

A strong operating performance in the second half of the year saw LogiCamms return to profit and cash-generation. It is pleasing to report that after allowing for transaction and restructuring costs associated with the merger, the financial targets advised to shareholders when announcing the Sales and Purchase Agreement for the merger and the Notice of Meeting for the EGM were met. Transition costs are tracking in line with forecast.

Future outlook

The merged Company has set its three-year strategy and is bringing greater clarity to the business by reinforcing our emphasis on service lines, which are now also clearly articulated in a new organisation structure and in the FY20 business plans. Chris O'Neill expands further on the Company strategy and business plans in his CEO report.

The merger transition is well underway with new vision, mission and values now set, in addition to the renewed strategy and associated revised organisation structure mentioned above. All management positions have now been filled, and the bulk of the merger synergies have been realised. A focussed new incentive plan for the Executive Leadership Team is being developed and will be rolled out shortly, which will be aligned to the strategies and plans Chris has outlined for the business in his letter.

Assuming current market conditions remain stable through FY20, LogiCamms now has the platform and plan to deliver the target results that were set out in the merger transaction documents issued to shareholders.

Board composition

Following completion of the merger transaction, the new Board is in place. Unfortunately, Richard Robinson has expressed a desire to step down from the Board prior to February 2020 as he will be spending the majority of 2020 in Europe. This, combined with the earlier announced plan to add another independent director to the Board, means we have commenced (and are well advanced with) the search for two new independent directors.

Recognition

The work done during FY19 was significant for the Company's future. As the incoming Chairperson, I would like to thank all of those people who contributed to the business throughout the year:

- Dan Drewe for his work as both CFO and Interim Chief Executive Officer;
- Chris O'Neill for getting a firm grasp of the business from day one, with the results of his efforts showing in both the improved operational performance of the business and in the setting of strategy and business plans;
- To the teams in both OSD and LogiCamms who have worked through the merger transaction activities so professionally, particularly those team members from both companies who have very objectively accepted and supported the associated restructuring;
- All the employees of the merged Company who have worked so hard to satisfy our clients and deliver the business results. This is a great example of why our people are our greatest asset;
- To the new Board members, Brian O'Sullivan (founder of OSD) and Linton Burns (former Managing Director of OSD) for their commitment to make the merger work;
- To Peter Watson, who stepped down on 28 June 2019 after eight years on the Board and who had to negotiate some very challenging times over that period;
- To Richard Robinson, who actively supported the business turnaround and merger and who will unfortunately step down before the end of the year, once a suitable replacement director is found; and
- To our shareholders, clients and bankers who have supported us, particularly through the last few years.

At all levels, LogiCamms is working hard to build on the platform built over the past two years to strengthen our competitive position and create a sustainable mid-tier engineering company that will repay your trust in us.

Charles Rottier
Chairperson

CHIEF EXECUTIVE OFFICER'S REPORT

The 2019 financial year has been a transformative year for LogiCamms with a significant improvement in normalised business performance (particularly in the second half of the financial year), capped off with the completion of the transaction with OSD.

Operational highlights for FY19 include:

A significant improvement in safety performance resulting in a Total Recordable Injury Frequency Rate (TRIFR) of zero. This is a remarkable achievement, especially given the significant risks associated with travel, construction, operations and maintenance work undertaken by sections of our workforce and is the result of an enhanced leadership-driven culture of safety combined with practical systems and processes. This outcome is a testament to our people and their focus on staying safe.

Pro forma Financial Highlights

FY19 Normalised EBITDAI	$6.87 million
FY19 NPAT	$3.2 million
Net Tangible Assets at 30 June 2019	$11.01 million

The improvement in financial performance has been driven predominantly by increased discipline and accountability in the business including:

- A more detailed analysis and trending of the financial performance of each business unit (revenue, gross margin, labour overheads, non-labour overheads, project performance, cash collection, work in hand and business development metrics) and the associated responsibility for leaders to quickly identify and resolve issues;
- A streamlining of our organisation structure and an associated updating of Business Unit leader role requirements and objectives, with clearly defined accountabilities and responsibilities;
- A tighter control of overheads – particularly by weekly proactive management of reimbursability on a business unit by business unit basis;
- A transformation of business development and tendering processes (and the associated internal approvals) to increase the Company's win-rate, particularly for larger contracts, by ensuring differentiated value propositions for customers – and to improve project gross margins and cash-flows by having an optimal commercial strategy for each tender;
- A rationalisation of our technology development initiatives and a drive to earlier commercialisation of technology products and partnerships through a focused approach to addressing specific client opportunities. This has been achieved by applying project management disciplines and accountabilities to product development and implementation; and
- We have also significantly increased the leadership engagement and communication with our workforce and have set out a clear set of business drivers and a responsive and flexible operating framework.

Looking forward, the merger means that LogiCamms is now positioned as a leading mid-tier engineering services business with breadth and depth of technical capability, a broadened client base and a strengthened balance sheet.

We have been in detailed planning for the merger for months before Completion which has allowed us to quickly implement the merger transition plan, realise the merger synergies (with more than $3 million in synergies already achieved), and 'hit the ground running' as a merged company for FY20. We have developed, via engagement with our employees, a new Vision Statement, Mission Statement, and Values ('The LogiCamms Way') to give clarity to all our team members on our direction and on the things that are most important to us.

We also have developed a refreshed Company Strategy, with three key focus areas:

1. Focusing on fully harnessing the benefits of the merger – including capturing the remainder of the synergy cost savings, cross-selling of capabilities to our expanded client base and using our expanded capabilities, scale and lower overheads to win larger contracts;
2. Focusing our approach to market (including our brand presence) on our six specialty Service Lines:
   - Asset Management;
   - Competency Training;
   - Digital Industry (a merging of our Controls and Automation, data technologies and industry digitalisation capabilities to position us for the quickly emerging opportunities in this area);
   - Electrical and Instrumentation;
   - Multi-disciplinary Engineering; and
   - Pipelines.

   Our six Service Lines also drive the structure within our business units, and are the way we focus our internal innovations, capability building and workshare methods.

The merger has added a very strong pipelines capability to the heritage-LogiCamms business and has also strengthened the scale and capabilities of all the other Service Lines.

We have decided that our environmental business (Monarc, which focused on contaminated lands) is no longer part of our core strategy and we are exiting this business; and

3. Focusing of our Innovation efforts so that internal innovations are driven by our Service Lines and our Innovation Products are rationalised and each has a clear near-term plan for commercialisation.

This revised company strategy has resulted in a revised organisation structure and this, combined with the extra management talent that has been injected as a result of the merger, has resulted in a revamped Executive Leadership Team.

All of the above (new Vision, Mission, Values, Strategy, Organisation Structure and Executive Leadership Team) are in place and have been communicated widely throughout the business and are discussed as part of our regular team meetings at both business leader and Business Unit level.

Budgets and Business Plans (including quarterly targets) for FY20 have also been set and these include individual plans for each Business Unit and for each corporate support team.

The merged structure of each Business Unit and each corporate support team has also been finalised and co-location of teams is underway.

LogiCamms' strategy remains committed to our key markets of Hydrocarbons (Oil & Gas and Chemicals), Mining and Minerals, Infrastructure (particularly water, power and intelligent transport systems) and our growing presence in Defence. We also remain focused on our core geographies of Australia, New Zealand, PNG and the Pacific.

The key markets we operate in are now generally positive and more information on this is given in the 'Market Overview and Outlook' section of the Annual Directors' Report.

The merged business has an expanded client base and provides greater capability to service customer requirements on larger and more complex projects. The response of our clients to the merger has been overwhelmingly positive and already we are seeing cross-selling opportunities emerge, and our improved balance sheet has strengthened our position with new clients in relation to some large tenders.

As such LogiCamms now has the platform, plan and people in place to continue the improved business performance and hence deliver increased shareholder value.

Chris O'Neill
Chief Executive Officer

ANNUAL DIRECTORS' REPORT

Your Directors present their report on LogiCamms Limited ("**Company**" or "**LogiCamms**") and its controlled entities ("**Group**") for the financial year ended 30 June 2019.

1. DIRECTORS AND OFFICERS

The current Directors and Officers of LogiCamms Limited are:

Name	Position
Charles Rottier	Independent Non-Executive Chairperson
Richard Robinson	Independent Non-Executive Director
Brian O'Sullivan	Executive Director – Corporate Development
Linton Burns	Executive Director – Transition
Chris O'Neill	Chief Executive Officer
Dan Drewe	Chief Financial Officer
David Shaw	Company Secretary

Information on the Directors and Officers, including former Directors and Officers, is located in section 5.

2. MERGER WITH OSD PTY LTD AND STRUCTURE OF THIS REPORT

On 28 June 2019 LogiCamms Limited completed its merger with OSD Pty Ltd. Pursuant to the terms of the merger LogiCamms acquired the entirety of the OSD Pty Ltd and its wholly owned subsidiaries in exchange for LogiCamms issuing the shareholders of OSD Pty Ltd 118,469,070 ordinary shares in LogiCamms (representing 59% of the total ordinary shares in LogiCamms Limited post-merger).

Under the terms of AASB 3 Business Combinations, OSD is deemed to be the accounting acquirer in the business combination. This transaction has therefore been accounted for as a reverse acquisition under AASB 3. Accordingly, the consolidated financial statements of LogiCamms have been prepared as a continuation of the consolidated financial statements of OSD. OSD as the deemed acquirer, has accounted for the acquisition of LogiCamms at 28 June 2019. The comparative information from 1 July 2017 to 30 June 2018 presented in the consolidated financial statements is that of OSD, unless otherwise stated. Refer to note 2 and 12 of the financial statements for further details of the business combination.

3. PRINCIPAL ACTIVITIES & REVIEW OF OPERATIONS

3.1 Principal Activities

LogiCamms primarily delivers engineering, project delivery and operations services to the Hydrocarbons (Oil and Gas and Chemicals), Mining and Mineral Processing and Infrastructure (particularly water, power and intelligent road/rail systems) and Defence industries. Our key geographies are Australia, New Zealand, PNG and the Pacific Islands and we service these areas from our network of offices in Adelaide, Brisbane, Darwin, Mackay, Melbourne, New Plymouth, Perth and Whyalla and from our project delivery site offices.

The Company has a strong position in each of our six specialist service lines:

Asset Management: Providing reliability engineering, asset inspection and integrity services, maintenance strategies and database development and condition monitoring and assessment expertise.

3.1 Principal Activities (continued)

Competency Training: A Registered Training Organisation providing specialist training – particularly in the areas of electrical and instrumentation, controls and automation, switchgear and electrical equipment for hazardous areas. Competency Training has dedicated, fully-equipped training facilities (allowing for 'hands-on training with equipment) in Jandakot and Toowong and also provides extensive and customised on-site training courses at client's own sites.

Digital Industry: Specialist engineering and project delivery (including EPC delivery) in controls and automation, data acquisition, industry digitalisation (including IIOT – Industrial Internet of Things), industrial data analytics and advanced algorithms. This is provided for a wide range of industries with particularly strong experience in mining and minerals processing (including mobile machines), oil and gas (upstream and downstream), petrochemicals and water.

Electrical and Instrumentation: Specialist engineering and project delivery (including EPC delivery) in Low Voltage and High Voltage electrical systems and industrial instrumentation. This includes electrical distribution and reticulation, switchboards and motor control centres, protection systems, instrumentation systems and wiring as well as specialist expertise and tools in electrical equipment in hazardous areas.

Multi-Disciplinary Engineering: Full engineering, design and procurement capabilities for all oil and gas and chemical facilities including well-head systems, gathering networks, processing facilities (physical and chemical processing), compression and pumping facilities, tank farms and distribution systems. We are specialists in cost-effective, practical designs and in the use of modular/packaged equipment.

Pipelines: Full life-cycle services to all aspects of pipelines including conceptual studies, engineering design, EPC delivery, commissioning, operations & maintenance, commercial services, condition assessment and repairs. We specialise in gas, oil, water and hydro-transport (slurry) pipelines including all associated facilities including compressor stations, pumping stations, terminal facilities, pigging systems, metering systems, SCADA systems and tie-ins.

3.2 Market Overview and Outlook

The key markets we operate in are now generally positive, including in all the areas of our six Service Lines:

The oil and gas and mining sectors have both continued their return to investing in their existing assets, including expenditure on brownfield projects, introduction of data technology, replacement of outdated equipment, asset management services and training.

There are also now several large, greenfield mining developments underway (particularly in Western Australia) and LogiCamms is already tendering for key packages of work for those projects, as well as for an increasing number of brownfield upgrades.

The next wave of Western Australian oil and gas projects have started (mostly to maintain existing LNG production levels in the face of depletion of existing gas fields) and these will require extensive life extension and modification works to existing onshore facilities (an area of expertise for LogiCamms). PNG also has the potential for an increase in greenfield and brownfield project work in the oil and gas and mining sectors.

Selected Chemicals industries are now making investments and we have strong relationships with a number of these companies and have commenced work on these projects.

Investment in infrastructure continues to be strong in our areas of expertise (water, power and intelligent transport systems) and this continues to create opportunities for nearly all of our service lines.

Expenditure is also increasing the Defence sector. Our focus in Defence is in targeting the increasing investment in our speciality areas of fuel systems, controls and automation and management of data.

The above trends in the industries we serve means there are now larger and more complex projects available for us to pursue. LogiCamms new mid-tier position, stronger balance sheet, lower overheads and specialist Service Line focus puts us in a much stronger position to bid and win these contracts. This is further strengthened by our revamped business development and tendering methods.

3.3 Significant Risks

Merger Risks

The degree of success of the merger depends on the extent to which the Company is able to realise the cost and revenue synergies. The bulk of the cost synergies (including virtually all of the labour synergies) have already been realised and many of the initial transition activities such as defining the new company vision, mission and strategy, resolving the organisation structure, and developing and rolling out business plans have been completed, which has reduced transition risk. There remains a risk that unforeseen issues or difficulties may arise that may result in integration benefits and/or synergies being delayed, or being achieved only in part, or not at all. Areas of particular risk include:

- Difficulties or unexpected costs relating to integration of management and technology systems and platforms;
- Anticipated benefits of the merger, in terms of clients awarding us expanded scopes of work and greater number of projects, not occurring to the extent anticipated;
- Difficulties or delays in realising the non-labour cost synergies related to rationalisation and consolidation of software, systems, standards and subscriptions/licences;
- The extent to which cost savings are offset by any incremental compliance or operating costs that arise;
- Management time spent on the transition resulting in loss of external business focus; and
- Potential client attrition arising as a result of the merger.

Client support for the merger has been very positive, with no negative impacts to date and a number of positive cross-sell opportunities have arisen. Our strengthened balance sheet has already improved our position on a number of significant tenders.

We have had a detailed Merger Transition plan in place for several months, and a dedicated Transition Director (supported by an Executive Transition Management Team), and have been diligently following this plan to mitigate the transition risks and to ensure we realise the benefits of the merger.

Key Personnel and Employment Risks

The transition of personnel and establishment of the new organisation structure have been well received and no associated unplanned loss of staff has occurred. At both executive and operational level, the teams have integrated very well. A loss of reputation through poor personnel management could have impacted operations which in turn could have adversely impact LogiCamms' future operating and financial performance. This is now very unlikely.

Market Risks

The Company's market position risk has not increased since the merger. The larger group and positive client reactions to date support the merger proposition that LogiCamms will be more competitive and more resilient than the individual companies.

Regulatory Risks

The Company is subject to local laws and regulations in each of the jurisdictions in which it operates. Furthermore, LogiCamms operates in both the engineering and training industries within Australia and overseas. Future laws or regulations may be introduced concerning engineering, asset services or training companies and if this occurred, these could restrict or complicate LogiCamms' activities. Any such impacts may adversely impact LogiCamms' future operating and financial performance. No increase in this risk has been identified as a result of the merger.

Litigation Risks

As with all businesses, LogiCamms is exposed to potential legal and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties. Further, the engineering industry in which the Company operates involves particular risks associated with safety, structural defects, environmental investigations and general litigation. As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may have a materially adverse impact on the financial performance of the Company.

Value Accretion Risks

Whether or not the merger is accretive to Shareholders, will depend on the ability of LogiCamms to generate sufficient earnings through the achievement of the synergies and realisation of other benefits of the merger to compensate for the dilutive effect to existing Shareholders. The initial indications are positive.

Geographic and Industry Risks

LogiCamms has a diversified geographic footprint with operations across Australia and New Zealand and also executes projects in PNG and the Pacific Island.

3.3 Significant Risks (continued)

LogiCamms business is predominantly based on serving the Hydrocarbons (Oil & Gas and Chemicals), Mining and Minerals (particularly Iron Ore and Coal), and to a lesser extent Water, Transport and Defence sectors. As such LogiCamms' business would be impacted if there was a downturn in demand for engineering, project delivery, asset services and/or training services in one or more of these industries.

The business may also be affected by changes in the nature of the engineering industry, such as changes to demand for different project delivery or asset services.

Financial Risks

The Company has successfully repaid a portion of the debt and established new lines of credit with NAB as a result of the merger. Ongoing financial strength depends on the Company's ability to generate earnings and to make interest and principal payments on its debt.

LogiCamms may need to raise additional capital (whether debt, equity or hybrid) in order to continue growing, meet debt finance obligations and increase its profitability; however, the Company has no reason to expect that any capital raising will be required in the short term.

Any changes to legislation and the operations of the relevant regulators or any of their successors may have substantial impacts on LogiCamms' investments, financial and operating performance.

The Company's revenue and profitability is highly correlated to spending levels by energy, resource, infrastructure and other businesses which use engineering services, which in turn could be affected by changes in macroeconomic conditions in Australia and internationally. Changes in the macroeconomic environment are beyond the control of LogiCamms and include, but are not limited to:

- Global commodity prices (including exchange rate risk) – particularly in oil and gas, iron ore and coal;
- Changes in government investment – particularly in water, intelligent transport systems and defence (particularly defence fuels facilities);
- Changes in aggregate investment and economic output;
- Changes in employment levels and labour costs, wage inflation and changes in industrial relations laws, which will affect the cost structure of LogiCamms; and
- Other changes in economic or market conditions which may affect the revenue or costs of LogiCamms.

3.4 Environmental Regulation and Performance

The Group has determined that no particular or significant environmental regulations apply to its operations.

The Directors have considered climate-related risks and do not currently deem there to be an associated material risk to the Group's operations and the amounts recognised in the financial statements. The Group continues to monitor climate-related and other emerging risks and the potential impact on the financial statements.

3.5 After Balance Date Events

Since the end of the financial year, the Directors are not aware of any matters or circumstances not otherwise dealt with in this report or the financial report that have, or may, significantly affect the operations or state of affairs of the Group in future years.

4. REVIEW OF FINANCIAL PERFORMANCE

4.1 Financial Performance Overview

To help understand the normalised performance of the Group this Report includes a set of pro-forma, normalised accounts, in the tables in this section. These exclude a number of significant one-off items associated with the merger between LogiCamms Limited and OSD Pty Ltd. The pro-forma figures are provided on an unaudited basis.

4.1 Financial Performance Overview (continued)

A summary of the consolidated group's pro-forma operating results for the year ended 30 June 2019 is below:

	Notes	2019 $'000 (unaudited)	2018 $'000 (unaudited)
Revenue		119,384	122,269
Earnings before interest, tax, depreciation, amortisation and impairment ("**EBITDAI**")		6,870	7,752
Profit before tax		4,403	5,380
Income tax expense		(1,204)	(1,906)
Profit for the year attributable to equity holders in the Company		3,198	3,474

The consolidated group's pro-forma normalised financial results for the 2019 financial year are as follows:

- Revenue was $119.38 million, down from a pro-forma revenue of the consolidated group of $122.26 million for the 2018 financial year;
- Profit before tax was $4.40 million, down from a pro-forma profit before tax of the consolidated group of $5.38 million for the 2018 financial year;
- Profit after tax was $3.198 million, down from a pro-forma profit before tax of the consolidated group of $3.474 million for the 2018 financial year;
- EBITDAI was a profit of $6.87 million, down from a pro-forma EBITDA of the consolidated group of $7.75 million for the 2018 financial year; and
- EBITDAI as a percentage of revenue was 5.75%, down from a pro-forma percentage of the consolidated group of 6.34% for the 2018 financial year.

The pro-forma financial results prepared are not audited and are included to provide a measure of the post-merger group's performance year on year.

Adjustment to Combined Pro-Forma Income Statement for the 2019 Financial Year

- The combined pro-forma income statement is adjusted for costs relating to the strategic balance sheet repair ($0.18 million), merger ($3.68 million), and CEO recruitment and mobilisation ($0.17 million) incurred in the 2019 financial year totalling $4.03 million. Following these adjustments a pro-forma normalised EBITDAI of $6.87 million and profit after tax of $3.2 million results;
- Net profit after tax was adjusted by adding back a goodwill impairment of $8.0 million; and
- The pro-forma interest expense reflects the impact of the reduced facility as if it had been fully drawn down on 1 July 2017 for the entire period and incurs interest at a rate of 4.8% per annum.

The key factors impacting on the pro-forma revenue and earnings compared to the prior corresponding period were:

- The reduction in revenue year over year was primarily driven by the end of the Globe Valve Bypass project, which had an impact of $8 million to the revenue generated by OSD Pty Ltd. This was partially offset by other contract wins by OSD Pty Ltd, and partially offset by an increase in LogiCamms Limited's revenue of $2.6 million; and
- The consolidated group won over $121 million of new work during the 2019 financial year.

Annualised cost savings of $3 million for the consolidated group have been achieved which will benefit the group in the 2020 financial year and beyond. Further business and financial improvements will be generated in FY2020 as a result of introducing efficiencies of scale and reducing overheads.

4.2 Working Capital Management

The Group improved its operating cash flows recording a net operating inflow of $5.4 million (2018: inflow of $5.2 million). The Company has continued to focus strongly on working capital management during the year.

4.3 Statement of Financial Position

The Group's total assets increased to $59.1 million in 2019 (2018: $18.6 million). The end of year cash balance of $8.3 million increased from $4.1 million in 2018.

The net assets of the Group have increased to $25.3 million at 30 June 2019 (2018: $23.4 million).

The Group's total liabilities increased to $33.8 million at 30 June 2019 (2018: $7.0 million), due to increases in trade and other payables related to merged group size.

At 30 June 2019 the Company has utilised $7.74 million of its $11 million NAB Multi Option Facility. This was made up of a $3.0 million corporate markets loan, $nil of its $1.5 million business overdraft facility, and $4.74 million of its $6.5 million bank guarantee facility. The Company also had cash at bank of $8.3 million as at 30 June 2019.

4.4 Dividends

LogiCamms Limited did not declare any dividend in the 2019 financial year, or after the end of the financial year.

As disclosed in the Financial Report, OSD Pty Ltd declared an interim dividend of $330,972, which was paid to its shareholders on 24 June 2019, prior to completion of the merger with LogiCamms Limited on 28 June 2019. OSD Pty Ltd also paid a dividend of $1,853,445 on 7 December 2018 in respect to the 2018 financial year.

5. INFORMATION ON DIRECTORS AND OFFICERS

5.1 Information on current Directors

The information on the current Directors of LogiCamms Limited is:

Mr Charles Rottier

Title	Independent Non-Executive Director, and Chairperson (appointed 28 June 2019).
Details	Appointed 4 September 2017. Year last re-elected: 2017.
Qualifications	B. Engineering (with Honours) – University of Sydney, GAICD, Fellow IEAust.
Experience	Charles is a senior manager with extensive management and project experience in local and international engineering, construction and maintenance services companies. He has managed successful businesses with operations in Australia, PNG, Asia, and the Americas. He is Chair of the Energy Pipelines CRC and Future Fuels CRC and has previously held the roles of CEO of Austin Engineering Limited and EGM Engineering and Construction at Transfield Services.
Special responsibilities	Chairperson of the Board (appointed 28 June 2019). Chairperson of the Nomination & Remuneration Committee (appointed 28 June 2019). Chairperson of the Audit & Risk Committee (resigned 28 June 2019). Member of the Audit & Risk Committee (from 28 June 2019). Member of the Nomination & Remuneration Committee (until 28 June 2019)..
Directorships of other listed companies (current or held within the last 3 years)	None.
Interests in the Company	206,032 ordinary shares. 90,000 performance rights.

Mr Richard Robinson

Title	Independent Non-Executive Director.
Details	Appointed 26 May 2015. Year last re-elected: 2018.
Qualifications	B. Engineering (with Honours) – University of NSW, MIEPNG.
Experience	Richard Robinson has nearly 40 years' experience in the Oil & Gas industry in Australia and Papua New Guinea. Richard's experience covers project, operations and commercial management in the upstream, downstream and associated service sectors. Richard held senior roles for more than 10 years at Oil Search Limited, retiring from his role as Executive General Manager in 2013. He has since held a number of Non-Executive Director and consulting roles within the oil & gas, engineering and construction sectors.
Special responsibilities	Independent Non-Executive Director. Chairperson of the Audit & Risk Committee (from 28 June 2019). Chairperson of the Projects Committee. Member of the Nomination & Remuneration Committee.
Directorships of other listed companies (current or held within the last 3 years)	Kina Petroleum Limited.
Interests in the Company	85,000 ordinary shares.

5.1 Information on current Directors (continued)

Mr Brian O'Sullivan AM

Title	Executive Director – Corporate Development
Details	Appointed 28 June 2019. Standing for election as a Director in 2019.
Qualifications	B. Engineering (Mechanical) – University of QLD, Post Grad Diploma Management, Fellow IEAust, MAICD.
Experience	As the former founder and Chairman of OSD Pty Ltd, Brian has experience in the business of energy related developments, with a strong emphasis on oil and gas pipeline and facilities projects. He has over 30 years' experience in business management, project management and engineering, primarily direct design and construction experience with major pipelines and petrochemical facilities in Australia, PNG and South East Asia. Brian's key strengths include a strong technical knowledge and an in-depth understanding of commercial business activities. Brian has been a company director holding board positions for a range of entities, including Chairman of the Australian Muscular Dystrophy Foundation.
Special responsibilities	Member of the Nomination & Remuneration Committee.
Directorships of other listed companies (current or held within the last 3 years)	None.
Interests in the Company	77,103,087 ordinary shares.

Mr Linton Burns

Title	Executive Director – Transition
Details	Appointed 28 June 2019. Standing for election as a Director in 2019.
Qualifications	B. Arts (Accounting) – University of SA, Chartered Accountant.
Experience	Linton has over 25 years' commercial, financial business and management experience including leading corporate transactions such as mergers and acquisitions and IPO's. Prior to being appointed to his role with LogiCamms, Linton was Managing Director of OSD, and has held other CFO and COO positions with ASX and Nasdaq listed companies. Linton is a member of the Institute of Chartered Accountants Australia.
Special responsibilities	Member of the Audit & Risk Committee.
Directorships of other listed companies (current or held within the last 3 years)	None.
Interests in the Company	3,877,298 ordinary shares. 2,124,546 options.

5.2 Information on current Officers

The information on the current Officers of LogiCamms Limited is as follows:

Mr Chris O'Neill

Title	Chief Executive Officer.
Details	Appointed 26 November 2018.
Qualifications	B. Engineering (Electrical & Electronic) – Swinburne University, MAICD.
Experience	Mr O'Neill has more than 25 years' Australian and international experience across the resources, energy and infrastructure industries. Prior to joining LogiCamms he was Executive General Manager for Development (Resources and Industrial) for Broadspectrum from 2014 to 2018. Prior to that he held a number of senior roles during a 14-year tenure with WorleyParsons Ltd (now Worley) including Regional Managing Director for Australia East and the Pacific, and Director of Oil & Gas for Western Australia and the Northern Territory. In addition to his experience with engineering and services companies (including in Australia, the UK and in Kazakhstan) he has also worked for BHP, ExxonMobil, and Santos.
Special responsibilities	Member of the Projects Committee.
Interests in the Company	410,000 ordinary shares. 1,950,000 performance rights.

5.2 Information on current Officers (continued)

Mr Dan Drewe

Title	Chief Financial Officer. Interim Chief Executive Officer (from 6 July 2018 through 26 November 2018).
Details	Appointed 9 June 2017.
Qualifications	B. Bus (Accountancy) – QUT, B. Econ – University of QLD, Grad Dip Health Econ – University of QLD, CPA, GAICD
Experience	Dan Drewe has over 25 years in financial and operations roles including CFO, COO and CEO. Industry experience includes resources, health, data analytics, and international development. Functional experience includes finance, human resources, contract & procurement, and ICT in organisations of up to 500 staff and $250m in revenue. Has led organisation from start up through growth, including by acquisition, to divestment including mergers.
Special responsibilities	Member of the Projects Committee.
Interests in the Company	135,459 ordinary shares.

Mr David Shaw

Title	Company Secretary & General Counsel.
Details	Appointed 17 February 2017.
Qualifications	B. Laws & B. Arts – University of TAS, Fellow GIA, Affiliate ICSA.
Experience	David Shaw has over 16 years' experience in the legal and compliance industry gained from working in the corporate sector in Australia, including with Mills Oakley Lawyers and Ebsworth Lawyers. He originally joined LogiCamms in the role of Legal Counsel on 1 May 2012. He is also a Fellow with the Governance Institute of Australia.
Special responsibilities	None.
Interests in the Company	1,460 ordinary shares.

5.3 Former Directors and Officers

The former Directors and Officers of LogiCamms Limited in the 2019 financial year are:

Name	Position	Date Resigned
Peter Watson	Independent Non-Executive Director and Chairperson.	28 June 2019
Flora Furness	Chief Executive Officer	6 July 2018

5.4 Meetings of Directors

The number of meetings of Directors (including meetings of committees of Directors) of LogiCamms Limited, and number of meetings attended by each of the Directors, during the financial year are:

Director	Board Meetings		Audit & Risk Committee Meetings		Nomination and Remuneration Committee Meetings		Project Committee Meetings	
	A	H	A	H	A	H	A	H
Charles Rottier	26	27	6	6	3	3	NA	NA
Richard Robinson	24	27	6	6	2	3	4	4
Brian O'Sullivan (appointed 28 June 2019)	0	0	NA	NA	NA	NA	NA	NA
Linton Burns (appointed 28 June 2019)	0	0	NA	NA	NA	NA	NA	NA
Peter Watson (resigned 28 June 2019)	27	27	6	6	3	3	NA	NA

A = Number of meetings attended.
H = Number of meetings held during the time the Director was a member of the Board or Committee.

6. INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS, AND AUDITORS

Under the Company's Constitution, the Company indemnifies each current and former Director and Officer of the Group against certain liabilities and costs incurred by them in their engagement by the Group, except where the liability arises out of conduct involving a lack of good faith. The Company also indemnifies each current and former Director and Officer of the Group against certain liabilities and costs incurred when the Director or Officer acts as a Director or as an Officer of another body corporate at the Company's request and the liability or cost is incurred in that capacity. Neither indemnity extends to liabilities or costs from which the Company is prohibited from indemnifying current or former Directors and Officers under the *Corporations Act 2001* (Cth).

In addition, the Company has entered into Deeds of Access, Indemnity and Insurance with its Directors and Officers of the Group. Under those Deeds, the Company agrees to matters including the following:

- Indemnify the Director or Officer to the extent permitted by law and under the Company's Constitution; and
- Maintain a directors' and officers' insurance policy.

Since the end of the previous financial year the Group has paid insurance premiums of $163,100 (2018: $138,558) in respect of directors' and officers' liability insurance policies.

LogiCamms has agreed to reimburse PricewaterhouseCoopers ("**PwC**") for any liability (including reasonable legal costs) that PwC incur in connection with any claim by a third party arising from a breach by LogiCamms Limited of its agreement with PwC.

7. CORPORATE GOVERNANCE STATEMENT

LogiCamms Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. LogiCamms Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council. The 2019 Corporate Governance Statement is dated at 30 June 2019 and reflect the corporate governance practices in place throughout the 2019 financial year. The 2019 Corporate Governance Statement was approved by the Board on 29 August 2019. A description of LogiCamms Limited's current corporate governance practices is set out in the Corporate Governance Statement which can be viewed at www.logicamms.com.au/investor-relations/corporate-governance/.

8. REMUNERATION REPORT – AUDITED

The Directors present the LogiCamms Limited remuneration report, which has been audited, for the financial year ended 30 June 2019, outlining key aspects of the consolidated entity's remuneration policy and framework, and remuneration awarded this year. As noted above in section 2, this Remuneration Report contains information for both LogiCamms Limited and OSD Pty Ltd.

This Remuneration Report outlines the Key Management Personnel ("**KMP**") remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth) and its Regulations. For the purposes of this report the KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise).

The report is structured as follows:

- 8.1 Overview of the Company's approach to executive reward;
- 8.2 Remuneration governance;
- 8.3 Elements of remuneration;
- 8.4 Consequences of performance on shareholder wealth;
- 8.5 KMP remuneration;
- 8.6 Overview of the Company's service contracts with Executives;
- 8.7 Non-executive director arrangements;
- 8.8 Options; and
- 8.9 Other statutory information.

8.1 Overview of the Company's approach to executive reward

The Board has adopted a remuneration policy for the consolidated entity that takes into account the current size and nature of the Company's operations.

Remuneration of KMPs is set at levels to reflect market conditions and encourage the continued services of KMP, including by benchmarking KMP remuneration to determine where roles are currently positioned, reviewing base salary, any short-term incentive ("**STI**"), and any long-term incentive ("**LTI**").

The Company's remuneration strategy recognises and rewards performance in a way that is consistent with general practices in the markets in which the Company operates. The Company's remuneration philosophy is focused on the following key principles and approaches:

- alignment to shareholders interests via normalised earning as a core component and a focus on sustained growth in shareholder wealth;
- assist the attraction and retention of highly skilled employees;
- be competitive within the markets in which the Group operates;
- provide meaningful rewards for true outperformance;
- simple and transparent remuneration framework across the organisation; and
- align talent and succession planning for future growth.

This report specifically sets out remuneration information for the key people who can directly influence the long term strategic direction of the Company and had the authority for planning, directing and controlling the affairs of the Company during the financial year ended 30 June 2019, and continue to have going into FY2020. They include the Chief Executive Officer and other key executives and non-executive directors of the Company as set out below:

Non-executive and executive Directors

The non-executive and executive Directors for LogiCamms Limited for the 2019 financial year, and continuing, are:

Name	Position
Charles Rottier	Chairperson (from 28 June 2019), and Non-executive Director (until 28 June 2019)
Richard Robinson	Non-executive Director
Brian O'Sullivan	Executive Director (from 28 June 2019)
Linton Burns	Executive Director (from 28 June 2019)
Peter Watson	Chairperson (resigned 28 June 2019)

The non-executive and executive directors for OSD Pty Ltd up to the date of completion of the merger with LogiCamms Limited on 28 June 2019 were:

Name	Position
Brian O'Sullivan	Executive Chairperson (director from 28 June 2019)
Linton Burns	Managing Director (director from 28 June 2019)
Andrew Keith Horstmann	Executive Director (resigned 28 June 2019)
Greg Bartley	Non-executive Director (resigned 28 June 2019)
Rodney Keller	Non-executive Director (resigned 28 June 2019)
Robbert De Weijer	Non-executive Director (resigned 28 June 2019)

Other key management personnel

The key management personnel who are not directors for LogiCamms Limited for the 2019 financial year, and continuing, are:

Name	Position
Chris O'Neill	Chief Executive Officer (from 26 November 2018)
Dan Drewe	Chief Financial Officer Interim Chief Executive Officer (from 6 July 2018 to 26 November 2018)
Flora Furness	Chief Executive Officer (resigned 6 July 2018)

The key management personnel for OSD Pty Ltd up to the date of completion of the merger with LogiCamms Limited on 28 June 2019 were limited to its non-executive and executive directors.

8.2 Remuneration governance

To determine the remuneration of its KMP the consolidated entity has a Nomination and Remuneration Committee ("**Committee**"). The Committee makes recommendations to the Board in relation to the remuneration of KMP, including the fixed and at-risk components of remuneration. Based on the information and recommendations provided by the Committee, the Board applies its discretion to determine the remuneration, including any changes to fixed components, of KMP as well as any awards under the STI and LTI Plans. The Committee assists the Board in reviewing the Company's remuneration policies and practices, and in selecting and appointing directors of the Company. The proceedings of each Committee meeting are reported directly to the Board. The chairperson of the Committee is an independent chair, and the Committee consists of a majority of independent directors. The Chief Executive Officer is invited to attend Committee meetings. The role of the Committee has been consistent throughout the 2019 financial year applying in the same respects to the consolidated entity both prior to completion of the merger and post completion of the merger.

The primary objective of LogiCamms' executive remuneration strategy is creating a framework that supports sustainable growth over the long term, recognising that this is in the interests of all stakeholders. This framework seeks to reward, retain, and motivate senior executives in a manner aligned with shareholders' interests.

In relation to OSD Pty Ltd prior to completion of the merger with LogiCamms Limited, as OSD Pty Ltd was a privately held company it did not have any separate committee overseeing the remuneration of its KMP, and accordingly that responsibility fell to its board of directors which reviewed KMP remuneration annually to ensure remuneration was market competitive and appropriate for the results delivered. Remuneration was structured such that there was a strong alignment with the long-term interests of the company and its shareholders, many of whom were KMP.

8.3 Consequences of performance on shareholder wealth

In determining the award under the STI and LTI plans for LogiCamms Limited's CEO (being the only LogiCamms Limited KMP awarded an STI or LTI based on these metrics), regard was had to the following indices which relate to LogiCamms Limited only and do not include any data from OSD Pty Ltd. In relation to the information for the 2019 financial year, due to the merger with OSD which completed on 28 June 2019, the Committee had regard to the financial information for standalone LogiCamms Limited for the year ended 30 June 2019.

	2019	2018	2017	2016	2015
Profit/(loss) for the year attributable to owners of the Company ($'000)	–	(773)	(23,615)	(38,139)	8,336
EBITDAI ($'000)	–	1,870	(8,133)	(8,409)	12,057
Dividends payments ($'000)	–	–	–	2,410	4,884
Basic earnings per share (cents)	–	(0.9)	(31)	(56)	12
Increase/(decrease) in share price ($)	–	0.02	(0.22)	(0.31)	(0.13)
Return on equity %	–	(3)	(95)	(87)	10

EBITDAI is considered one of the key financial performance targets in setting incentives as EBITDAI is often used as a measure of free cash flow excluding the impact of financing, non-cash accounting adjustments and tax treatments. EBITDAI amounts for 2015 to 2019 have been calculated by adjusting net profit/(net loss) calculated in accordance with Australian Accounting Standards and adding back net finance expenses, tax expense, depreciation, amortisation and impairment charges.

In addition to the above matters, the Committee in making its recommendations to the Board regarding incentives has also had regard to other matters, including:

- The significant work undertaken by the executive KMP to improve the Company's performance in FY19 compared to recent reporting periods;
- The successful completion of the merger with OSD Pty Ltd;
- That LogiCamms Limited's share price as at 1 July 2018, being $0.185, was unchanged as at 30 June 2019, and substantially improved from its low of $0.115 in late 2018, in circumstances where completion of the merger with OSD Pty Ltd resulted in a significant dilution of the Company's then existing ordinary shares;
- That LogiCamms Limited has not declared any dividend to shareholders since FY15; and
- That LogiCamms Limited has not returned any capital to its shareholders in FY19.

On that basis the Company awarded the incentives set out in section 8.4.

8.4 Elements of remuneration

In the consolidated entity, both prior to completion of the merger with OSD Pty Ltd on 28 June 2019 and subsequently, the remuneration and other terms of employment for the executive KMP are formalised in Executive Service Agreements and incentive plans. The total remuneration packages for these KMP contain:

- A fixed remuneration component – Base salary including superannuation. This is expressed as a specific amount that the executive may take in a form agreed with the Company and is determined based on market reference, the scope and nature of the individual's role, their performance and experience; and
- An at-risk remuneration component – The Board considers that the financial and operational performance and prospects of the Company are strongly linked to creating shareholder wealth. Accordingly, the Board has put in place at-risk components to remuneration based on success in delivering on pre-defined targets. For the 2019 financial year, the at-risk components were in the form of:
  - STI – payable in cash and through the issue of performance rights. Entitlement to any STI was based on LogiCamms' financial and operational performance over the 2019 financial year, in addition to individual performance measures; and
  - LTI – payable through the issue of performance rights, performance options, and share appreciation rights. These LTI instruments are issued for the purposes of aligning KMP interests with those of shareholders by rewarding long term sustainable shareholder value creation. Entitlement to any LTI was based on LogiCamms' strategic performance over the 2019 financial year.

8.4.1 Short-term incentives

For the 2019 financial year, each executive KMP was eligible to participate in the STI Plan, awards for which can be made in the form of performance rights or cash.

Under the terms of the STI Plan for 2019, each participant had an annual target STI award based on a percentage of base salary for the year. Payment of the individual's target STI was dependent on performance of the Company against the key metrics set out in the table below.

For financial year 2019, each KMP had a maximum STI opportunity ranging from 20% to 50% of their fixed remuneration where targets are met. However, if the threshold performance for a measure is not met, the payment may be reduced.

STI awards are determined after a review of performance against the key performance drivers by the Board at the end of the financial year.

The award criteria for the STI were based on achievement by the consolidated entity against the performance objectives for the consolidated entity for the 2019 financial year. The table below sets out the criteria and performance against those criteria:

FY19 Scorecard	Weight	Metric
Financial – EBITDAI	50%	Normalised Earnings Before Interest, Tax, Depreciation, Amortisation, and Impairment.
Strategic	20%	Board approved 3 year strategy and Five Business Drivers rolled out.
Operational	30%	Merged structure business leaders identified, Board approved business plans that meet market expectations, improved gated proposal process.

These above criteria were chosen by the Committee, and approved by the Board, as they are considered to be key metrics for a successful business driving earnings growth and cashflow, while ensuring that the health and safety is not compromised in the process.

In addition to the above specified performance criteria, any STI payment is also subject to the condition that the relevant executive KMP remain employed with the Company at the time the STI is due to be paid or vest. This condition was chosen by the Board to assist with retention of executive KMP.

The Board has discretion to make a determination on individual performance of a KMP and apply such determination as a modifier to increase or decrease the STI payable.

The Committee reviewed the performance of the executive KMP against the above criteria, and based on the performance of the Group in the 2019 financial year, the Committee recommended and the Board approved the incentives set out below:

Executive	STI Awarded
Chris O'Neill	$75,066
Dan Drewe*	$20,000

* The STI awarded to Dan Drewe was not assessed against the above set out criteria and was a discretionary award only.

These STIs awarded will be paid after 1 October 2019 and are subject only to the requirement that the relevant KMP remain employed by the Company at the payment date.

8.4 Elements of remuneration (continued)

8.4.1 Short-term incentives (continued)

STIs awarded on appointment

The Board awarded the following STIs as an initial incentive to Chris O'Neill upon him being appointed as the Company's Chief Executive Officer commencing 26 November 2018:

- An initial incentive of 200,000 performance rights, vesting 26 November 2019. These performance rights are subject to the following performance conditions: (a) Chris O'Neill remaining employed by the Company at the vesting date; (b) Chris O'Neill successfully achieving (to the satisfaction of the Board) the milestones specified to be achieved in the first four months of the Company's FY20 business plan; (c) Chris O'Neill having successfully implemented (to the satisfaction of the Board) the milestones specified to be implemented in the first four months of FY20 in the Board approved strategic plan for the Company; and (d) Chris O'Neill successfully achieving commercialisation of an activity of the Technology & Innovation business unit in accordance with a Board approved plan. The vesting of this incentive may be pro-rated at the discretion of the Board; and
- Payment of a cash amount up to 30% of his fixed remuneration on or before 15 September 2019. This cash payment is subject to the following performance conditions: (a) Chris O'Neill remaining employed by the Company at the award date; and (b) Chris O'Neill having achieved his key performance indicators for FY19 (to the satisfaction of the Board). The award of this incentive may be pro-rated at the discretion of the Board.

The performance conditions associated with the STI awarded to Chris O'Neill on his appointment as Chief Executive Officer were chosen by the Board as it incentivises the Chief Executive Officer to quickly gain an understanding of the business so as to achieve the milestones and strategy set by the Board, with the outcomes capable of being measured objectively.

On appointing Linton Burns to the role of Executive Director Transition from completion of the merger with OSD Pty Ltd, the Board approved the following STI:

- Payment of a cash amount up to $180,000 on achievement of all key performance indicators under the transition plan for merging the businesses of LogiCamms Limited and OSD Pty Ltd; and
- Payment of a cash amount equal to 24% of his fixed remuneration (being $120,000) if the consolidated entity achieves a normalised EBITDAI for FY20 of $10,000,000, and an additional 6% of his fixed remuneration (being $30,000) for every additional $1,000,000 of normalised EBITDAI for FY20 achieved by the consolidated entity over and above the initial $10,000,000 EBITDAI target.

The performance conditions associated with the STI awarded to Linton Burns on his appointment as the Executive Director responsible for overseeing the transition of the merged business were chosen by the Board to incentivise the successful integration of the two businesses, with outcomes capable of being objectively measured, for the benefit of shareholders.

8.4.2 Long-term incentives

For the 2019 financial year, each executive KMP listed in (a) above was eligible to participate in the LTI Plan, awards for which can be made in the form of performance rights or performance options.

No LTI award criteria were set for the reporting period and no LTI was awarded to executive KMP for the financial year ended 30 June 2019.

LTIs awarded on appointment

The Board awarded the following LTIs as an initial incentive to Chris O'Neill upon him being appointed as the Company's Chief Executive Officer commencing 26 November 2018:

- 583,334 performance rights, vesting within 30 days of release of the Company's financial results for FY21. These performance rights are subject to the following performance conditions: (a) Chris O'Neill remaining employed by the Company at the vesting date; and (b) the Group achieving EBITDA for FY21 of at least $12.3m (or such other figure agreed by the Board in approving the budget for the financial year). The award of this incentive may be pro-rated at the discretion of the Board; and
- 1,166,666 performance rights, vesting within 30 days of release of the Company's financial results for FY22. These performance rights are subject to the following performance conditions: (a) Chris O'Neill remaining employed by the Company at the vesting date; and (b) the Group achieving EBITDA for FY22 of at least $14.4m (or such other figure agreed by the Board in approving the budget for the financial year). The award of this incentive may be pro-rated at the discretion of the Board.

The performance conditions associated with the LTI awarded to Chris O'Neill on his appointment as Chief Executive Officer were chosen by the Board as it incentivises the Chief Executive Officer to drive the long term growth of the Company for the benefit of its shareholders, with the outcomes capable of being objectively measured.

8.4.3 Proportions of fixed and at-risk remuneration

The table below sets out LogiCamms' target mix of fixed and at risk (STI & LTI as a % of fixed remuneration) components for each of the executive KMP of the consolidated entity for financial year 2019 as a percentage of total potential remuneration:

Name	Title	Fixed Remuneration	STI %	LTI %
Chris O'Neill[1]	Chief Executive Officer (from 26 November 2018)	50%	15%	35%
Brian O'Sullivan	Director Corporate Development (from 28 June 2019)	55%	*	*
Linton Burns	Director Transition (from 28 June 2019)	62.5%	*	*
Dan Drewe	Chief Financial Officer	55%	17%	28%
Flora Furness	Chief Executive Officer (resigned 6 July 2018)	50%	20%	30%

* Brian O'Sullivan and Linton Burns were not eligible for any STI or LTI in relation to FY19 for the period in which they served as executive KMP of LogiCamms Limited (being appointed on 28 June 2019). Brian O'Sullivan will be eligible for incentives in future financial years. Linton Burns will be eligible for incentives in FY20.

[1] Chris O'Neill was awarded an STI and LTI on being employed with the Company on 26 November 2018, the terms of which were set out in the Company's announcement on 22 November 2018 in regard to his appointment to the position of Chief Executive Officer.

8.4.4 OSD Pty Ltd prior to completion of the merger

Prior to completion of the merger with LogiCamms Limited on 28 June 2019, the board of OSD Pty Ltd managed the remuneration of its executive KMPs, which was recorded in services agreements and incentive plans. The total remuneration packages for these executive KMP contain:

- A fixed component – Base salary including superannuation. This is expressed as a specific amount that the executive may take in a form agreed with the company and was determined based on market reference, the scope and nature of the individual's role, their performance and experience; and
- An at-risk component – The directors of OSD Pty Ltd approved a short-term incentive for the Managing Director in the form of an at-risk cash incentive payable on meeting or exceeding specified key performance indicators. OSD Pty Ltd also had a long term incentive plan, which permitted options to be issued as an incentive to key personnel, with eligibility not being fixed but rather being assessed on a case by case basis based on the performance of the relevant personnel.

The table below sets out the mix of fixed and at-risk components for each of the executive KMP of OSD Pty Ltd for financial year 2019 (up to completion of the merger on 28 June 2019) as a percentage of potential total remuneration:

Name	Title	Fixed Remuneration	STI %
Brian O'Sullivan	Executive Chairperson	100%	–
Linton Burns	Managing Director	84.76%	15.24%
Andrew Keith Horstmann	Executive Director	100%	–

8.5 KMP remuneration

This section of the Remuneration Report sets out the nature and amounts of each major element of remuneration of each of the KMPs. This includes the remuneration data for OSD Pty Ltd (up to completion of the merger on 28 June 2019), in line with the Financial Report due to the reverse takeover nature of the merger, together with the data for LogiCamms Limited (for the entirety of the 2019 financial year).

Details of the nature and amount of each major element of remuneration of each of the KMP for OSD Pty Ltd (up to completion of the merger on 28 June 2019) are:

Name	Year	Fixed remuneration				Variable remuneration			
		Cash salary	Non-monetary benefits	Post employment benefits	Termination benefits	Options, rights and bonuses	Total	Proportion of remuneration performance related	Value of options and rights as proportion of remuneration
		$	$	$	$	$	$	%	%
Non-Executive Directors									
Greg Bartley	**FY19**	**37,313**	-	**2,682**	-	-	**39,995**	-	-
	FY18	23,601	-	2,242	-	-	25,843	-	-
Rodney Keller	**FY19**	**36,530**	-	**3,470**	-	-	**40,000**	-	-
	FY18	36,530	-	3,470	-	-	40,000	-	-
Robbert De Weijer	**FY19**	**30,769**	-	**2,923**	-	-	**33,692**	-	-
	FY18	40,000	-	3,800	-	-	43,800	-	-
Total Non-Executive Director Remuneration	**FY19**	**104,612**	-	**9,075**	-	-	**113,687**		
	FY18	100,131	-	9,513	-	-	109,643		
Executive Directors									
Brian O'Sullivan	**FY19**	**275,818**	**37,046**	**26,152**	-	-	**339,017**	-	-
	FY18	276,441	26,761	25,000	-	-	328,202	-	-
Linton Burns	**FY19**	**378,834**	-	**27,626**	-	**73,059**	**479,519**	**15.24**	**15.24**
	FY18	325,186	27,678	30,865	-	74,400	458,129	16.24	16.24
Andrew Keith Horstmann	**FY19**	**302,303**	-	**24,992**	-	**78,608**	**405,903**	**19.37**	**19.37**
	FY18	291,381	-	24,347	-	1,977	317,705	0.62	0.62
Total Executive Directors	**FY19**	**956,956**	**37,046**	**78,770**	-	**151,667**	**1,224,439**		
	FY18	893,008	54,439	80,212	-	76,377	1,104,036		
Total KMP Remuneration	**FY19**	**1,061,568**	**37,046**	**87,845**	-	**151,667**	**1,338,126**		
	FY18	993,138	54,439	89,725	-	76,377	1,213,679		

8.5 KMP remuneration (continued)

Details of the nature and amount of each major element of remuneration of each of the KMP for LogiCamms Limited* are:

Name	Year	Fixed remuneration				Variable remuneration			
		Cash salary	Non-monetary benefits	Post employment benefits	Termination benefits	Options, rights and bonuses	Total	Proportion of remuneration performance related	Value of options and rights as proportion of remuneration
		$	$	$	$	$	$	%	%
Non-Executive Directors									
Charles Rottier	**FY19**	**68,493**	–	**6,507**	–	–	**75,000**	–	–
	FY18	54,004	–	5,130	–	–	59,134	–	–
Richard Robinson	**FY19**	**75,000**	–	–	–	–	**75,000**	–	–
	FY18	75,000	–	–	–	4,245	79,245	–	5.3
Peter Watson (resigned 28 June 2019)	**FY19**	**120,000**	–	–	–	–	**120,000**	–	–
	FY18	120,000	–	–	–	–	120,000	–	–
Peter Wall (resigned 25 October 2017)	FY18	26,668					26,668		–
Total Non-Executive Director Remuneration	**FY19**	**263,493**	–	**6,507**	–	–	**270,000**		
	FY18	275,672	–	5,130	–	4,245	285,047		
Executive Directors									
Brian O'Sullivan (from 28 June 2019)	**FY19**	–	–	–	–	–	–	–	–
Linton Burns (from 28 June 2019)[1]	**FY19**	–	–	–	–	–	–	–	–
Total Executive Directors	**FY19**	–	–	–	–	–	–		
Executives									
Chris O'Neill (from 26 November 2018)	**FY19**	**288,771**	**4,136**	**12,365**	–	**75,066**	**380,338**	**19.74**	**19.74**
Dan Drewe	**FY19**	**353,609**	**7,091**	**20,531**	–	**44,091**	**425,322**	**4.70**	**10.37**
	FY18	324,231	7,091	20,049	–	–	351,371	–	–
Flora Furness (resigned 6 July 2018)	FY18	428,814	7,091	19,172	339,671	78,000	872,748	8.9	8.9%
Naomi Rule (resigned 17 April 2018)	FY18	107,885	–	8,268	14,553	–	130,706	–	–
Iulius Mincu (resigned 15 June 2018)	FY18	300,366	963	19,497	12,517	(35,000)	298,343	(35.6)	(35.6)
Total Executives	**FY19**	**642,380**	**11,227**	**32,896**	**-**	**119,157**	**805,660**		
	FY18	1,161,296	15,145	66,986	366,741	43,000	1,653,168		
Total KMP Remuneration	**FY19**	**905,873**	**11,227**	**39,403**	**-**	**119,157**	**1,075,660**		
	FY18	1,436,968	15,145	72,116	366,741	47,245	1,938,215		

* The information contained in this table is for information purposes only.

8.5 KMP remuneration (continued)

Equity instruments included in remuneration – LogiCamms Limited

For LogiCamms Limited, the KMP disclosed in the table below have been awarded performance rights as part of their remuneration in the reporting period, in prior reporting periods but which have not vested, or which were awarded in prior reporting periods and which vested in this reporting period.

Name	Instrument	Number	Grant Date	Fair Value per instrument at grant date	Vested in Year	Forfeited in Year	Number at Reporting Date	Financial Years in which Grant Vests
Chris O'Neill	Performance Rights	200,000	21-Nov-18	$0.13	–	–	200,000	2020
	Performance Rights	583,334	21-Nov-18	$0.13	–	–	583,334	2022
	Performance Rights	1,166,666	21-Nov-18	$0.13	–	–	1,166,666	2023
Flora Furness	Performance Rights	138,462	28-Sep-16	$0.39	2019	–	–	2019
	Performance Rights	200,000	25-Oct-17	$0.30	2019	–	–	2019

No options were awarded to KMP as part of their remuneration during the reporting period, and there are no outstanding options which were awarded to KMP in previous reporting periods.

All performance rights and options granted under the STI and LTI Plans carry no voting or dividend entitlements.

Currently, based on the number of performance rights issued, should all of these securities convert to shares they would represent 0.97% of the Company's issued share capital.

During the year 338,462 ordinary shares were issued to Flora Furness. The ordinary shares were on the vesting of performance rights granted in previous years, with vesting occurring in accordance with the agreement reached in relation to her resignation. No exercise price was payable on the vesting of the performance rights.

No other performance rights previously granted to KMPs as part of the remuneration vested during the reporting period.

No options granted to KMPs as part of their remuneration vested during the reporting period.

Equity instruments included in remuneration – OSD Pty Ltd (up to completion of merger on 28 June 2019)

In relation to OSD Pty Ltd (prior to completion of the merger on 28 June 2019), the KMP disclosed in the table below have been awarded performance rights as part of their remuneration in the reporting period, in prior reporting periods but which have not vested, or which were awarded in prior reporting periods and which vested in this reporting period.

Name	Instrument	Number	Grant Date	Fair Value per instrument at grant date	Vested in Year	Forfeited in Year	Number at Reporting Date	Financial Years in which Grant Vests
Andrew Keith Horstmann	Performance Rights	40,000	28-Jun-18	–	40,000	–	–	2019

On Market Purchases

The information under this heading only applies to LogiCamms Limited, as at all times OSD Pty Ltd was not listed and so purchases could not be made on market.

All shares underpinning equity awards may be purchased on market or be newly issued shares or a combination of both. As at 1 July 2018, the LogiCamms Employee Share Trusts held 89,061 ordinary shares which had been purchased on market in prior periods. During the 2019 financial year, the LogiCamms Employee Share Trusts purchased no shares on-market, and allocated 89,060 ordinary shares to non-KMP employees and nil ordinary shares to KMP (all shares provided to KMP in the 2019 financial year were newly issued shares), leaving a balance as at 30 June 2019 of 1 ordinary share.

8.6 Overview of the Company's service contracts with Executives

Set out below is the overview of the consolidated entity's Executive Services Agreements with its executive key management personnel for the 2019 financial year:

Name	Status	Position	Term of agreement	Notice period	Fixed remuneration	Non-monetary benefits	Performance based remuneration (% of Fixed remuneration)	
					$		STI %	LTI %
Chris O'Neill	Current	Chief Executive Officer	Permanent	12 months[1]	500,000	Car park, laptop, and mobile phone	30%	70%
Brian O'Sullivan	Current	Director Corporate Development	Permanent	6 months	362,817	Car park, laptop, and mobile phone	30%	50%
Linton Burns	Current	Director Transition	Permanent	6 months[2]	500,000[3]	Car park, laptop, and mobile phone	*	–
Dan Drewe	Current	Chief Financial Officer[4]	Permanent	6 months[5]	350,049	Car park, laptop, and mobile phone	30%	50%
Flora Furness	Former	Chief Executive Officer	Ended	6 months	450,000	Car park, laptop, and mobile phone	40%	60%

* Linton Burns is entitled to an incentive of up to $180,000 on achievement of all transition plan key performance indicators. He is also entitled to an incentive of 24% of his fixed remuneration if the consolidated entity achieves a normalized EBITDAI for FY20 of $10,000,000, and an additional 6% of his fixed remuneration for every additional $1,000,000 of normalized EBITDAI for FY20 achieved by the consolidated entity over and above the initial $10,000,000 EBITDAI target.

[1] The notice period for Chris O'Neill is 12 months, reducing by 1 month for every 2 months from 19 June 2019, until such time as the notice period is 6 months (following which it will remain at 6 months).

[2] The notice period for Linton Burns is 6 months from the date of notice or 3 July 2020, whichever occurs earlier. In the event of termination of Linton Burns' service contract prior to 3 July 2020 (other than for summary termination), Linton Burns will be entitled to a redundancy payment of the amount of $365,384, plus a retention payment of $20,000 per completed month of service from 1 July 2019 (up to a maximum payment of $240,000), payment of any achieved incentives that have not already been paid, and payment of his unpaid fixed remuneration as if he had been employed until 3 July 2020. In the event that Linton Burns continues to be employed up to and including 3 July 2020, and unless Linton Burns is employed by the Company in a capacity on substantially the same terms as his current Executive Service Agreement, Linton Burns will be entitled to a redundancy payment of $365,384 plus a retention payment of $240,000.

[3] Linton Burns is also entitled to a retention payment of $20,000 per calendar month of service, up to a maximum retention amount of $240,000.

[4] During the period from 6 July 2018 to 26 November 2019 Dan Drewe performed the role of Interim Chief Executive Officer & Chief Financial Officer and was entitled to additional remuneration of $5,000.00 per month and a monthly award of ordinary shares in the Company (being $5,000 worth of the Company's ordinary shares calculated using the volume weighted average price). This additional remuneration ceased on 30 November 2018.

[5] The notice period for Dan Drewe is 6 months, reducing by 1 month for every 4 months from 19 June 2019, until such time as the notice period is 3 months (following which it will remain at 3 months). Prior to 19 June 2019, Dan Drewe's notice period was 3 months.

Set out below is the overview of OSD Pty Ltd's service contracts with its executive key management personnel up to completion of the merger on 28 June 2019:

Name	Status	Position	Term of agreement	Notice period	Fixed remuneration	Non-monetary benefits	Performance based remuneration	
					$		STI %	LTI %
Brian O'Sullivan	Former	Executive Chairperson	Ended	6 months	301,442	Motor vehicle, spouse travel allowance ($20,000), additional 3 weeks annual leave, and car park	–	–
Linton Burns	Former	Managing Director	Ended	6 months	400,000	–	–	–
Andrew Keith Horstmann	Current	Executive Director	Permanent	8 weeks	329,808	Car park, and additional 3 weeks annual leave.	–	–

8.7 Non-executive director arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration of non-executive directors at a level that provides the Group with the ability to attract and retain directors of appropriate calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to non-executive directors ("**NEDs**") of comparable companies.

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The latest determination (in 2013) by shareholders approved an aggregate fee pool of up to $600,000 with such fees to be allocated to the NEDs as the Board of Directors may determine.

The remuneration of NEDs consists of directors' fees, with such fees being inclusive of any membership or chairpersonship of any committee. NEDs do not receive retirement benefits.

Mr Richard Robinson and Mr Charles Rottier each received a base fee of $75,000 (2018: $75,000) inclusive of superannuation for being NEDs of the Group. The Board Chairperson, Mr Peter Watson, received a base fee of $120,000 (2018: $120,000) inclusive of superannuation for the period.

NEDs do not participate in the Company's STI or LTI plans.

Prior to completion of the merger between LogiCamms Limited and OSD Pty Ltd on 28 June 2019, Mr Greg Bartley, Mr Rodney Keller, and Mr Robbert De Weijer received a base fee of $113,687 (2018: $109,643) inclusive of superannuation for being NEDs of OSD Pty Ltd.

Movements in shares

The movement during the reporting year in the number of ordinary shares in the Company held directly, indirectly or beneficially, by KMP of the consolidated entity, is as follows:

Name	Balance at 1 July 2018 ("SOFY")	Received on vesting of performance rights	Ceased to be a KMP	Other changes	Balance at 30 June 2019 ("EOFY")
Charles Rottier	30,000	60,000	–	116,032	206,032
Richard Robinson	50,000	–	–	35,000	85,000
Brian O'Sullivan[1]	–	–	–	77,103,087	77,103,087
Linton Burns[2]	–	–	–	3,877,298	3,877,298
Chris O'Neill[3]	–	–	–	410,000	410,000
Dan Drewe	–	–	–	135,459	135,459
Peter Watson[4]	917,169	–	–	–	917,169
Flora Furness[5]	138,462	–	338,462	–	476,924

1 Brian O'Sullivan was appointed as a KMP of the Company on 28 June 2019, and accordingly the balance at SOFY is representative at 28 June 2019.

2 Linton Burns was appointed as a KMP of the Company on 28 June 2019, and accordingly the balance at SOFY is representative at 28 June 2019.

3 Chris O'Neill was appointed as a KMP of the Company on 26 November 2018, and accordingly the balance at SOFY is representative at 26 November 2019.

4 Peter Watson resigned effective 28 June 2019, and accordingly the balance at EOFY is representative at 28 June 2019.

5 Flora Furness resigned effective 6 July 2018, and accordingly the balance at EOFY is representative at 6 July 2018.

8.8 Options

In the reporting period, no Directors or Officers were issued any options as part of their remuneration.

As part of the merger with OSD Pty Ltd, shareholders approved the issue of 4,780,229 options in LogiCamms Limited to the holders of options in OSD Pty Ltd, as set out in the table at the bottom of this section. On completion of the merger on 28 June 2019, the options in OSD Pty Ltd were cancelled and replaced by options in LogiCamms Limited. Of the 4,780,229 options issued to holders of the OSD Pty Ltd options, 2,124,546 options were issued to Linton Burns (who is a Director of the Company).

In relation to the 4,780,229 options issued in relation to LogiCamms Limited, they will convert into ordinary shares in LogiCamms Limited in the number that is equal to the number of options exercised. The expiry date in relation to the 4,780,229 options is 21 July 2021, and they may be exercised by the holders at any time prior to that expiry date. The holders of the options do not have any right to participate in any share issue.

8.8 Options (continued)

If all of the options are exercised then they will represent 2.33% of the then total issued ordinary shares, and LogiCamms will receive $526,500.

No shares have been issued during the 2019 financial year or since as a result of the exercise of any options.

Option Holder	No. of OSD options	Strike price for conversion into OSD shares	OSD option expiry date	Converts into number of LCM options	Strike price for conversion to LCM shares	LCM option expiry date	Proceeds if exercised
Linton Wayne Paul Burns and Suzanne Mary Byrne as trustees for Burns Family Trust	100,000	$1.33	21 July 2021	1,062,273	$0.1252	21 July 2021	$133,000
Linton Burns as trustee for Linton Burns Superannuation Fund	100,000	$1.16	21 July 2021	1,062,273	$0.1092	21 July 2021	$116,000
Craig Sheather	100,000	$1.16	21 July 2021	1,062,273	$0.1092	21 July 2021	$116,000
Laurie Paxton	50,000	$0.91	21 July 2021	531,137	$0.0857	21 July 2021	$45,500
Giffard Services Pty Ltd	100,000	$1.16	21 July 2021	1,062,273	$0.1092	21 July 2021	$116,000

8.9 Other statutory information

Other transactions with KMPs

A director of LogiCamms Limited, Mr Charles Rottier, is a director of CLR Consulting Pty Ltd ("CLR"). On 26 July 2018 LogiCamms Limited entered into a contract with CLR for CLR to provide advisory services to LogiCamms. The contract was based on normal commercial terms and conditions which would be reasonable in the circumstances if LogiCamms Limited and CLR were dealing with one another at arm's length.

Pursuant to that contract, CLR was paid the amount of $47,000 (exclusive of the GST), which was recognised as an expense in the LogiCamms' accounts. Mr Charles Rottier, as nominee of CLR, was awarded 35,532 shares in LogiCamms Limited (in accordance with resolution 3 approved at the Company's AGM on 28 November 2018) and 150,000 performance rights in LogiCamms Limited (in accordance with resolution 4 approved at the Company's AGM on 28 November 2018). Each performance right was unquoted, and carries no voting or dividend entitlements. Further details on the performance rights and their vesting is set out in the table below.

Name	Instrument	Number	Grant Date	Fair Value per instrument at grant date	Vested in Year	Forfeited in Year	Number at Reporting Date	Financial Years in which Grant Vests
Charles Rottier	Performance Rights	150,000	28-Nov-18	$0.20	60,000	–	90,000	2019 & 2020

Reliance on external remuneration consultants

During the reporting period, no remuneration consultant was engaged to make any remuneration recommendations to LogiCamms Limited in relation to any of its KMPs.

Voting of shareholders at last year's annual general meeting

At its AGM on 28 November 2018 LogiCamms Limited received approximately 99% of the votes cast in favour of the resolution adopting the remuneration report for the 2018 financial year. The company did not receive any specific feedback at the AGM or through the reporting period on its remuneration practices.

This concludes the remuneration report, which has been audited.

9. NON-AUDIT SERVICES

During the year PwC, the Group's auditor, was paid the amount of $290,000 for non-audit services provided during the 2019 financial year. The non-audit services provided by PwC consisted of other assurance services in the amount of $220,000 and tax compliance services in the amount of $70,000.

The Directors are satisfied that the provision of non-audit services by PwC during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth), based on advice from the Group's Audit & Risk Committee, for the following reasons:

- The non-audit services did not impact the impartiality 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*.

Michael Crowe is the responsible partner of PwC that is performing the audit of the Group.

Details of the amounts paid to the auditor of the Group, PwC, and its related practices for audit and non-audit services provided during the year are set out in note 4(i) of the Financial Report below. No amounts were paid to other auditors in respect of the statutory audit.

10. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001* (Cth).

11. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 27.

12. ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Amounts in the Directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

13. RESOLUTION APPROVING DIRECTORS' REPORT

This Directors' Report is made in accordance with a resolution of Directors.

Charles Rottier
Chairperson

Brisbane
30 August 2019

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of LogiCamms Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Michael Crowe
Partner
PricewaterhouseCoopers

Brisbane
30 August 2019

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LOGICAMMS LIMITED

FINANCIAL REPORT

ABN 90 127 897 689

Current Reporting Period
Financial Year ending 30 June 2019

Previous Corresponding Period
Financial Year ending 30 June 2018

INSIDE THIS REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Notes	2019 $'000	2018 $'000 Restated
Revenue	4(a)	**35,030**	41,972
Cost of sales	4(f)	**(28,082)**	(29,708)
Gross profit		**6,948**	12,264
Other income	4(b)	**24**	278
Acquisition costs	4(c)	**(1,258)**	-
Other expenses	4(e)	**(5,701)**	(5,431)
Profit from operating activities		**13**	7,111
Net finance income / (expense)	4(d)	**5**	(24)
Share of net profit of equity accounted investees	9(b)	**29**	16
Profit before income tax		**47**	7,103
Income tax benefit / (expense)	4(g)	**134**	(2,397)
Profit for the year attributable to owners of the Company		**181**	4,706
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		**111**	(69)
Other comprehensive income for the year, net of tax		**111**	(69)
Total comprehensive profit for the year attributable to owners of the Company		**292**	4,637
Earnings per share			
Basic earnings per share (cents per share)	4(h)	**0.0**	4.0
Diluted earnings per share (cents per share)	4(h)	**0.0**	4.0

As set out in note 2, basis of preparation, to these financial statements, as a result of the reverse acquisition of LogiCamms Limited and its controlled entities ('LogiCamms') by OSD Pty Limited and its controlled entities ('OSD'), the comparative information for 30 June 2018 represents results for OSD only for the period from 1 July 2017 to 30 June 2018. The statement of profit or loss and other comprehensive income for the year ended 30 June 2019 represents the results of OSD for the period from 1 July 2018 to 30 June 2019 and the results of LogiCamms for the period 28 June 2019 to 30 June 2019.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2019

	Notes	2019 $'000	2018 $'000 Restated
ASSETS			
Cash and cash equivalents	5(a)	**8,346**	5,160
Trade and other receivables	5(b)	**24,390**	9,276
Contract assets	5(b)	**5,579**	357
Current tax asset	4(g)	**514**	586
Total current assets		**38,828**	15,379
Investment in equity accounted investees	9(b)	**416**	411
Property, plant and equipment	6(a)	**2,605**	815
Deferred tax assets	4(g)	**2,966**	797
Intangible assets	6(b)	**14,256**	1,237
Total non-current assets		**20,242**	3,260
Total assets		**59,070**	18,639
LIABILITIES			
Trade and other payables	5(c)	**17,548**	3,245
Contract liabilities	5(d)	**4,663**	270
Borrowings	5(g)	**910**	108
Current tax liability	4(g)	**395**	1,663
Employee benefits	5(e)	**3,895**	885
Provisions	5(f)	**1,545**	354
Total current liabilities		**28,956**	6,525
Trade and other payables	5(c)	**775**	-
Employee benefits	5(e)	**605**	250
Borrowings	5(g)	**2,816**	224
Provisions	5(f)	**656**	-
Total non-current liabilities		**4,853**	474
Total liabilities		**33,809**	6,999
Net assets		**25,261**	11,639
EQUITY			
Share capital	7(a)	**21,013**	5,783
Reserves	7(a)	**323**	(72)
Retained earnings		**3,925**	5,928
Total equity attributable to owners of the Company		**25,261**	11,639

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2019

See note 3(f) for details regarding the restatement as a result of an error.

As set out in note 2, basis of preparation, to these financial statements, as a result of the reverse acquisition of LogiCamms and its controlled entities by OSD and its controlled entities, the comparative information for 30 June 2018 represents that of OSD as at 30 June 2018. The statement of financial position as at 30 June 2019 represents that of the consolidated entity which consolidates OSD and LogiCamms as at that date.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

		Attributable to owners of LogiCamms			
	Notes	Share capital $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2017		**5,874**	**(3)**	**2,225**	**8,096**
Profit for the year		-	-	5,275	5,275
Correction of prior period error	3(f)	-	-	(569)	(569)
Other comprehensive income		-	(69)	-	(69)
Total comprehensive income for the year		**-**	**(69)**	**4,706**	**4,637**
Issuance of shares		-	-	-	-
Share buyback		(91)	-	-	(91)
Dividends paid		-	-	(1,003)	(1,003)
Balance at 30 June 2018		**5,783**	**(72)**	**5,928**	**11,639**
Balance at 1 July 2018		**5,783**	**(72)**	**5,928**	**11,639**
Profit for the year		-	-	181	181
Other comprehensive income		-	111	-	111
Total comprehensive income for the year		**-**	**111**	**181**	**292**
Net contributions of equity	12	15,230	284	-	15,514
Dividends paid	7	-	-	(2,184)	(2,184)
Balance at 30 June 2019		**21,013**	**323**	**3,925**	**25,261**

As set out in note 2, basis of preparation, to these financial statements, as a result of the reverse acquisition of LogiCamms and its controlled entities by OSD and its controlled entities, the comparative information for 30 June 2018 represents the changes in equity of OSD only for the period from 1 July 2017 to 30 June 2018. The statement of changes in equity for the period 1 July 2018 to 30 June 2019 comprises the equity balances of OSD at 1 July 2018, the profit for the year and transactions with equity holders of OSD including the impact of the reverse acquisition, and the equity balances of the consolidated group comprising OSD and LogiCamms at 30 June 2019.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Notes	2019 $'000	2018 $'000 Restated
Cash flows from operating activities			
Receipts from customers		**36,845**	43,166
Payments to suppliers and employees		**(29,915)**	(37,625)
		6,931	5,541
Interest paid		**(23)**	(31)
Transaction costs relating to acquisition		**(448)**	-
Income taxes paid		**(1,014)**	(284)
Net cash inflow from operating activities	(5a)	**5,446**	5,226
Cash flows from investing activities			
Acquiree's cash position on acquisition at 28 June 2019	12	**3,057**	-
Dividends from Associates	9(b)	**24**	-
Interest received		**28**	7
Proceeds from sale of property, plant and equipment		**(9)**	134
Acquisition of property, plant and equipment	6(a)	**(95)**	(248)
Net cash inflow / (outflow) from investing activities		**3,005**	(107)
Cash flows from financing activities			
Payment for share buy-back		**-**	(91)
Repayment of borrowings	5(g)(i)	**(3,000)**	-
Repayment of borrowings		**(191)**	(189)
Dividends paid to company shareholders		**(2,184)**	(1,003)
Net cash outflow from financing activities		(5,375)	(1,283)
Net increase in cash and cash equivalents		**3,076**	3,836
Cash and cash equivalents at the beginning of the financial year		**5,160**	1,382
Effects of exchange rate changes on cash and cash equivalents		**111**	(58)
Cash and cash equivalents at the end of the financial year	5(a)	**8,346**	5,160

As set out in note 2, basis of preparation, to these financial statements, as a result of the reverse acquisition of LogiCamms and its controlled entities by OSD and its controlled entities, the comparative information for 30 June 2018 represents the cash flows of OSD only for the period from 1 July 2017 to 30 June 2018. The statement of cash flows for the period 1 July 2018 to 30 June 2019 comprises the cash balance of OSD at 1 July 2018, the cash flows of OSD for the period from 1 July 2018 to 30 June 2019, the cash flows of LogiCamms for the period from 28 June 2019 to 30 June 2019 and the cash balance of the consolidated entity comprising OSD and LogiCamms at 30 June 2019.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 General information

LogiCamms Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Level 14, 200 Mary Street, Brisbane, Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group is primarily involved with the energy, resources and infrastructure sectors providing engineering consulting services and training, primarily in Australia and New Zealand.

The financial statements were approved by the Board of Directors on 30 August 2019.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report, which:

- has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 July 2018.
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

(b) Basis of measurement and presentation currency

The Consolidated financial statements have been prepared on the historical cost basis.

The Consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in legislative instrument 2016/191 and in accordance with that legislative instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(c) Business Combination - Reverse Acquisition

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. Acquisition-related costs are expensed as incurred

LogiCamms completed the legal acquisition of OSD on 28 June 2019.

OSD and its controlled entities will be referred to in these financial statements as OSD. LogiCamms and its controlled entities prior to the acquisition is referred to as LogiCamms, and the combined group post the acquisition is referred to as the consolidated entity.

Under the terms of AASB 3 Business Combinations, OSD is deemed to be the accounting acquirer in the business combination. This transaction has therefore been accounted for as a reverse acquisition under AASB 3. Accordingly, the consolidated financial statements of LogiCamms have been prepared as a continuation of the consolidated financial statements of OSD. OSD as the deemed acquirer, has accounted for the acquisition of LogiCamms at 28 June 2019. The comparative information from 1 July 2017 to 30 June 2018 presented in the consolidated financial statements is that of OSD, unless otherwise stated. Refer to note 12 for further details of the business combination.

The implications for the application of AASB 3 on the financial statements is as follows:

Statement of profit and loss and comprehensive income

- The 2019 statement of profit and loss and comprehensive income comprises 12 months of OSD's results and the results of LogiCamms for the period from the acquisition date to the financial year end being 28 June 2019 to 30 June 2019.
- The 2018 statement of profit and loss and comprehensive income comprises 12 months of OSD's results.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Statement of financial position

- The 2019 statement of financial position represents that of the consolidated entity, LogiCamms as at 30 June 2019, which consolidates the OSD and LogiCamms statement of financial position as at that date.
- The 2018 statement of financial position represents OSD as at 30 June 2018.

Statement of changes in equity

- The 2019 statement of changes in equity comprises the opening equity balances of OSD as at 1 July 2018, the profit for the year and transactions with equity holders being 12 months of OSD and 2 days of LogiCamms including the impact of the reverse acquisition on the equity balances and the closing equity balances of the consolidated entity as at the end of the period being 30 June 2019.
- The 2018 statement of changes in equity comprises 12 months of OSD.

Statement of cash flows

- The 2019 statement of cash flows comprises the opening cash balance of OSD as at 1 July 2018, the transactions for the year being 12 months of OSD and 2 days of LogiCamms including the impact of the reverse acquisition on the cash balance.
- The 2018 statement of cash flows comprises 12 months of OSD.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are included in the following notes:

Note 8 – Capital management – going concern

Notes 4(a) and 5(b) – revenue recognition, trade receivables and contract assets

Note 4(e) – recoverability of deferred tax assets

Note 6(b) – measurement of the recoverable amounts of cash-generating units containing goodwill

Note 12 – acquisition accounting

(d) Going concern

The financial statements have been prepared on a going concern basis. Refer note 8(c) for further commentary.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group.

(a) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency using the exchange rate at that date. Foreign currency gains or losses on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in consolidated statement of profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

(c) New accounting standards and interpretations adopted

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2018:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers

These new standards have not had a significant effect on the consolidated financial statements of the Group.

The Group has not elected to adopt early any accounting standards and/or amendments.

(d) New accounting standards and interpretations not yet adopted

AASB 16 Leases

The application date of AASB 16 for the Group is 1 July 2019. The key features of AASB 16 are as follows:

Lessee accounting

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

- Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for lessees.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application being 1 July 2018. The Group will elect to use the exemptions allowed for lease contracts for which the lease terms ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value. The timing of recognition of costs will be brought forward as a result of higher interest expense in the earlier years of the leases. Upon adoption of the new standard, the Group estimates a modest impact to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the first year of $0.2million. The impact will reduce over the term of the lease as the finance charges taper off. Based on the current assessment a lease liability with a value of approximately $9 - $10million will be recognised at 1 July 2019.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(e) Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

(f) Correction of error in accounting for deferred tax

	2018 $'000	Increase / (Decrease) $'000	2018 (Restated) $'000
Statement of profit or loss (extract)			
Profit before income tax	**7,103**	**-**	**7,103**
Income tax expense	(1,828)	569	(2,397)
Profit for the period	**5,275**	**(569)**	**4,706**
Total comprehensive profit for the year attributable to owners of the Company	**5,206**	**(569)**	**4,637**
Statement of financial position (extract)			
Deferred tax assets	1,366	(569)	797
Total non-current assets	**3,829**	**(569)**	**3,260**
Total assets	**19,208**	**(569)**	**18,639**
Net assets	**12,208**	**(569)**	**11,639**
Equity			
Retained earnings	6,497	(569)	5,928
Total Equity	**12,208**	**(569)**	**11,639**
Statement of Cash Flows (extract)			
Reconciliation of cash flows from operating activities (extract)			
Profit for the year	5,275	(569)	4,706
Operating profit	**5,590**	**(569)**	**5,021**
Decrease in deferred tax assets	4	569	573
Net cash from operating activities	**5,226**	**-**	**5,226**

Deferred tax assets and income tax expenses for the prior year have been restated. The amount of the correction was a decrease to deferred tax assets of $569k and an increase to income tax expense of $569k. The correction further affected some of the amounts disclosed in note 4(g) relating to taxation. The error arose due to an incorrect calculation. The impact of the error on EPS was ($0.0) per share.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year

(a) Revenue

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major service lines and geographical regions:

30 June 2019	Australia $'000	New Zealand $'000	Total $'000
Services revenue	**25,593**	**3,429**	**29,022**
EPC Revenue	**6,008**	**-**	**6,008**
Total revenue from external parties	**31,601**	**3,429**	**35,030**

30 June 2018	Australia $'000	New Zealand $'000	Total $'000
Services revenue	34,349	7,623	41,972
EPC Revenue	-	-	-
Total revenue from external parties	34,349	7,623	41,972

Accounting policy from 1 July 2018

Revenue from contracts with customers

Where performance obligations are satisfied over time, revenue is recognised in the consolidated income statement by reference to the progress towards complete satisfaction of each performance obligation. This does not include any significant financing component.

Revenue Recognition – Service Based Contracts

Revenue from the provision of consulting services is typically recognised over time (typically 3 to 4 months in duration) when the Group has an enforceable right to payment for its performance completed to date.

Revenue Recognition – Provision of contract engineering, procurement and construction services (EPC).

Contracts with customers to provide contract engineering, procurement and construction services can include either one performance obligation or multiple integrated performance obligations within each contract. The Group assesses each of its contracts individually and where there are separate performance obligations identified, the transaction price is allocated based upon the relative stand-alone selling prices of the services provided.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Revenue is recognised over time, typically based on an input methods using an estimate of costs incurred to date as a percentage of total estimated costs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(a) Revenue (continued)

Accounting policy applied until 30 June 2018

Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue

Interest is recognised using the effective interest method.

Engineering design and project services

For a reimbursable contract, revenue and expenses are recognised when the service is provided.

Contract revenue and expenses of fixed price contracts are recognised in accordance with the percentage of completion method. The method used to determine the stage of completion of a contract is the proportion of contract costs incurred to date for work performed against estimated total contract costs.

If the work is completed and not yet invoiced, this unbilled proportion is recognised as revenue and presented as unbilled contract-revenue under trade and other receivables. Where it is probable that a loss will arise on the contract, the excess of total costs over revenue is recognised as an expense.

Where the outcome of the contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Consulting services

Revenue is recognised in the accounting period in which the services are rendered.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(b) Other income

	Notes	2019 $'000	2018 $'000
Net foreign exchange gains		**18**	12
Other		**6**	266
		24	278

(c) Acquisition costs

	Notes	2019 $'000	2018 $'000
Legal expenses		**389**	-
External consultancy expenses		**711**	-
IT expenses		**9**	-
Labour costs		**149**	-
		1,258	**-**

(d) Finance income / (expense)

	2019 $'000	2018 $'000
Interest income on bank deposits	**28**	7
Interest expense on financial liabilities	**(23)**	(31)
	5	(24)

(e) Other operating expenses

The consolidated statement of profit or loss and other comprehensive income includes the following specific expenses:

	2019 $'000	2018 $'000
Salaries and wages	**1,867**	2,072
Employment related expenses	**422**	298
Rent and occupancy expenses	**703**	719
Subscriptions, licenses & memberships	**557**	216
Consulting	**842**	21
Insurance	**336**	295
Other administrative expenses	**974**	1,810
	5,701	5,431

Included within other operating expenses are transaction costs incurred between 28 and 30 June 2019 by legacy LogiCamms totaling $1.3million.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(f) Cost of sales

	2019 $'000	2018 $'000
Personnel expenses	**14,469**	17,060
Contractor expenses	**4,859**	7,462
Contributions to defined contribution superannuation funds	**1,134**	1,230
Project reimbursable expenses (including procurement)	**7,620**	3,956
	28,082	29,708

Personnel expenses and Contributions to defined contribution superannuation funds

The Group's accounting policy for liabilities associated with employee benefits is set out in Note 5(e). All employees in Australia and New Zealand are party to a defined contribution scheme and receive fixed contributions from the Group and the Group's legal or constructive obligation is limited to these contributions. Contributions to defined contribution funds are recognised as an expense as they become payable.

Operating leases

Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Depreciation and amortisation

The Group's accounting policies for depreciation and amortisation are set out in Notes 6(a) and 6(b).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(g) Taxation

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Income tax expense

	2019 $'000	2018 $'000 Restated
Current tax expense		
Current year	**(797)**	(1,911)
Adjustments for current tax of prior periods	**-**	(4)
	(797)	(1,915)
Deferred tax expense		
Increase / (decrease) in deferred tax assets	**931**	(482)
Total income tax benefit / (expense)	**134**	(2,397)

Numerical reconciliation between tax expense and pre-tax accounting profit

	2019 $'000	2018 $'000
Profit for the year	**181**	4,706
Total income tax benefit / (expense)	**134**	(2,397)
Profit before income tax	**47**	7,103
Income tax using the Company's domestic tax rate of 30.0% (2017 - 30.0%)	**(14)**	(2,131)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of tax rates in foreign jurisdictions	**1**	26
Non-deductible expenses - other	**147**	(292)
Total income tax benefit / (expense)	**134**	(2,397)

The difference between the actual income tax expense and the income tax expense using the Company's domestic rate of 30% is mainly attributable to tax losses and incentives not recognised combined with goodwill impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(g) Taxation (continued)

Current tax assets and liabilities

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

	Notes	2019 $'000	2018 $'000 Restated
Current tax asset			
Current tax asset		**514**	**586**
Current tax liability			
Current tax liability		**321**	1,663
Current tax liability recognised on acquisition	12	**74**	-
		395	1,663

The current tax asset relates to non-resident contractor withheld tax.

Tax assets and liabilities - recognised deferred tax assets and liabilities

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is based upon the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the applicable tax rates. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets; and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets

	2019 $'000	2018 $'000 Restated
The balance comprises temporary differences attributable to:		
Trade receivables	**220**	208
Fixed assets	**1,658**	387
Employee benefits	**463**	103
Other payables	**1,238**	-
Contract liabilities	**600**	106
Provisions	**288**	8
	4,468	812
Set-off of deferred tax liabilities pursuant to set-off provisions	**(1,502)**	(15)
Net deferred tax assets	**2,966**	797

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(g) Taxation (continued)

Deferred tax assets (continued)

	Notes	Fixed assets	Employee benefits	Other payables	Contract liabilities	Provisions	Other deferred tax assets	Total
Movements		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2017		242	319	14	-	24	12	611
(Charged)/credited - to profit or loss		(34)	68	90	-	82	(4)	201
(Charged)/credited – to Reserves		-	-	-	-	-	-	-
At 30 June 2018 (Restated)		**208**	**387**	**103**	**-**	**106**	**8**	**812**
At 1 July 2018		208	387	103	-	106	8	812
(Charged)/credited - to profit or loss		(11)	(4)	309	-	(199)	239	333
(Charged)/credited – to Reserves		-	-	-	-	-	-	-
Deferred tax asset recognised on acquisition	12	23	1,276	51	1,238	693	41	3,323
At 30 June 2019		**220**	**1,658**	**463**	**1,238**	**600**	**288**	**4,468**

Deferred tax

	Notes	2019 $'000	2018 $'000 Restated
The balance comprises temporary differences attributable to:			
Work in progress		**(1,490)**	-
Equity accounted investee		**(12)**	(15)
Set-off of deferred tax liabilities pursuant to set-off provisions		**1,502**	15
Net deferred tax liabilities		**-**	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(g) Taxation (continued)

Deferred tax liabilities (continued)

Movements	Equity accounted investee $'000	Work in progress $'000	Total $'000
At 1 July 2017	(1)	-	(1)
Charged/(credited) - profit or loss	(13)	-	(13)
At 30 June 2018	(15)	-	(15)
At 1 July 2018	**(15)**	**-**	**(15)**
Charged/(credited) - profit or loss	**2**	**63**	**65**
Deferred tax liability recognised on acquisition	**-**	**(1,552)**	**(1,552)**
At 30 June 2019	**(12)**	**(1,490)**	**(1,502)**

Deferred tax is not recognised for the following temporary differences:

• Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;

• Differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and

• Initial recognition of goodwill.

At 30 June 2019 there was a tax benefit of $8.3million (2018: $7.4million) relating to unused tax losses of $27.8million.

Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a Tax Consolidated Group. As a consequence, all members of the Tax Consolidated Group are taxed as a single entity. The head entity within the Tax Consolidated Group is LogiCamms Limited.

(h) Earnings per share

Reconciliation of earnings used in calculating earnings per share

	2019 $'000	2018 $'000
Profit for the year	**181**	4,706
WANOS[1] used to calculate basic EPS (Shares)	**118,920**	118,032
WANOS[1] used to calculate diluted EPS (Shares)	**123,707**	123,301
Basic EPS (cents per share)	**0.0**	4.0
Diluted EPS (cents per share)	**0.0**	4.0

[1]Weighted average number of ordinary shares

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(h) Earnings per share (continued)

	2019 '000	2018 '000
Number of shares		
WANOS used to calculate basic EPS (Shares)	**118,920**	118,469
Effect of performance rights on issue	**4,787**	4,832
WANOS used to calculate diluted EPS (Shares)	**123,707**	123,301

Calculation of earnings per share

Basic earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- Cost of servicing equity (other than dividends)
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the year that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(i) Segment reporting

The segmental information included below relates to OSD for the financial year ended 30 June 2019, however, management will assess this segmental reporting for the Group for future years.

The Group has a single operating segment in which it operates, being engineering services. This is based on information that is internally provided to the Managing Director for assessing performance and making operating decisions. Therefore, no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made.

The Company is domiciled in Australia, with operations located across Australia and in New Zealand. Revenue and non-current assets are attributed to the above regions based on the revenue earned and non-current assets owned by the subsidiaries domiciled in each region and are as follows:

	2019 $'000	2018 $'000
Revenue		
Australia	**31,601**	34,349
New Zealand	**3,429**	7,623
	35,030	41,972

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4 Operations - results for the year (continued)

(i) Segment reporting (continued)

Details of the Group's most significant customer revenues at 30 June 2019 are shown in the following table. The most significant single customer at 30 June 2019 is a large, publicly listed resources company.

	2019 $'000	**% of revenue 2019**	2018 $'000	% of revenue 2018
Most significant single customer	9,530	27%	10,886	26%
Top ten most significant customers	27,941	80%	36,068	86%

	2019 $'000	2018 $'000
Non-current assets excluding deferred tax assets		
Australia	**16,788**	2,202
New Zealand	**489**	261
	17,277	2,463

(j) Auditors' remuneration

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

	2019 $	2018 $
BDO		
Audit services		
Audit and review of the Company's Financial Report	**-**	43,150
	-	43,150
Non-audit services		
Assurance services	**34,567**	8,500
	34,567	8,500
Total remuneration of BDO	**34,567**	51,650

The below PwC fees have not been disclosed in the financial statements;

	2019 $	2018 $
PwC		
Audit services		
Audit and review of the Company's Financial Report	**340,573**	216,000
	340,573	216,000
Non-audit services		
Tax compliance services	**70,000**	
Other assurance services	**220,000**	-
	290,000	-
Total remuneration of PwC	**630,573**	216,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Operations - Operating assets and liabilities

(a) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and on hand and short term deposits with an original maturity 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, net of outstanding bank overdrafts. Cash balances reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year.

	2019 $'000	2018 $'000
Cash and cash equivalents at 30 June:		
Cash on hand	**1**	1
Cash at bank	**8,345**	5,159
	8,346	5,160

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 8(b).

Reconciliation of cash flows from operating activities

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(a) Cash and cash equivalents (continued)

Reconciliation of cash flows from operating activities (continued)

	2019 $'000	2018 $'000
Cash flows from operating activities		
Profit for the year	**181**	4,706
Adjustment for		
Depreciation and amortisation	**339**	372
Net (gain) on sale of non-current assets	**-**	(34)
Share of profits of associates	**(29)**	(16)
Interest received	**(28)**	(7)
Operating profit before changes in working capital and provisions	**463**	5,021
Change in trade and other receivables	**1,481**	(3,218)
Change in contract assets	**30**	(95)
Change in trade and other payables	**4,708**	1,170
Change in deferred tax assets	**(396)**	573
Change in income taxes payable	**(1,342)**	1,540
Change in contract liabilities	**265**	54
Change in provisions and employee benefits	**237**	181
Net cash from operating activities	**5,446**	5,226

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Operations - Operating assets and liabilities (continued)

(b) Trade and other receivables

	2019 $'000	2018 $'000
Current		
Trade receivables	**23,372**	8,848
Other financial assets	**-**	175
Loss allowances / Provision for impairment of receivables	**(146)**	(55)
Prepayments and sundry debtors	**1,164**	308
	24,390	9,276
Contract assets	**5,579**	357
	5,579	357

At 30 June 2019, $nil (2018: $175k) relating to cash held as security over bank guarantees was included within other receivables due to the maturity date of the balance exceeding 3 months. The 30 June 2019 balance of $535k has been reclassified into cash and cash equivalents at 30 June 2019 as the maturity date no longer exceeded 3 months.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on their shared characteristics and the days past due.

Contract assets represent balances earned, but which are not yet unconditional and have the substantially the same characteristics as trade receivables. The Group has therefore concluded that the expected loss rates for trade receivable are a reasonable approximation for the contract asset balances.

The expected credit loss rates are based on the historical payment profile of receivables prior to 30 June 2019 and 1 July 2018 and the corresponding historical credit losses experienced during this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Other attributes considered include observing a deterioration of customer credit ratings together with any delays experienced in customer collections. The expected credit losses have been assessed but are not considered material.

Individual debts which are known to be non-collectible are written off as identified.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Operations - Operating assets and liabilities (continued)

(c) Trade and other payables

	2019 $'000	2018 $'000
Current		
Trade payables	**8,514**	1,560
GST payable	**913**	365
Accrued expenses	**5,745**	1,008
Sundry creditors	**1,816**	-
Lease incentives	**560**	312
	17,548	3,245
Non-Current		
Lease incentives	**775**	-
	775	-

Trade and other payables are recognised initially at fair value less transaction costs and subsequently at amortised cost using the effective interest method.

The Group's exposure to currency and liquidity risk related to Trade and other payables is disclosed in Note 8(b).

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Tax Office ("ATO") is included as a current asset or liability in the statement of financial position.

(d) Contract liabilities

	2019 $'000	2018 $'000
Contract liabilities	**4,663**	270
	4,663	270

The contract liabilities primarily relate to consideration received from customers in advance of providing goods or services, or unearned revenue. These liabilities will be recognised as revenue when the services are performed.

(e) Employee benefits

	2019			2018		
	Current $'000	Non-Current $'000	Total	Current $'000	Non-Current $'000	Total
Leave obligations	**3,895**	**605**	**4,500**	885	250	1,135

Annual leave, long service leave and time off in lieu

The liability for annual leave, long service leave and time off in lieu is measured as the present value of expected future payments (including on-costs) for the service provided by employees up to the reporting date. Expected future payments are discounted using the yield on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Operations - Operating assets and liabilities (continued)

(f) Provisions

	2019			2018		
	Current $'000	**Non-Current $'000**	**Total**	Current $'000	Non-Current $'000	Total
Onerous lease provision	**368**	**-**	**368**	-	-	-
Bonus provision	**297**	**-**	**297**	340	-	340
Make good provision	**242**	**656**	**898**	-	-	-
Service warranties	**176**	**-**	**176**	-	-	-
Restructuring costs	**462**	**-**	**462**	14	-	14
	1,545	**656**	**2,201**	354	-	354

Movements in provisions

The movement in provisions for the period is shown below:

	Notes	Restructuring obligations $'000	Service warranties $'000	Onerous lease $'000	Make-good provision $'000	Bonus $'000	Total $'000
Carrying amount at the start of the year		14	-	-	-	340	354
Additional provisions recognised		462	-	-	-	97	559
Paid / utilised during the year		(14)	-	-	-	(340)	(354)
Provision recognised on acquisition	12	-	176	368	898	200	1,642
Carrying amount at end of year		462	176	368	898	297	2,201

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Warranty

A provision for warranty is usually recognised at the commencement of a project based on risks identified during the planning stage. Projects are subsequently reviewed periodically to ensure provisions remain sufficient. A full reassessment is performed at each reporting date, taking into account historical warranty expenses and contract terms to ensure the provision is appropriate.

Onerous leases

A provision for onerous leases is recognised when the expected benefits (expected lease inflows) to be derived by the Group from a lease are lower than the unavoidable cost of meeting its obligations under the lease. The provision is measured at the present value of the lower of the expected cost of terminating the lease and the expected net cost of continuing the lease. Before a provision is established, the Group recognises any impairment loss on the assets associated with the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Operations - Operating assets and liabilities (continued)

(f) Provisions (continued)

Movements in provisions (continued)

Make good provision

A make good obligation is recognised when the Group leases premises and the lease contract contains an obligation to return the premises to its pre-lease condition at the conclusion of the lease. The provisions are calculated on a $/sqm basis, are reviewed for appropriateness periodically, and recorded at the present value of the estimated future cost to make good the premises.

Restructure provision

The restructuring provision was recognised for amounts payable to employees that were made redundant following the reverse acquisition between LogiCamms and OSD on 28 June 2019. The provision was fully settled after 30 June 2019.

(g) Borrowings

	2019			2018		
	Current $'000	Non-Current $'000	Total	Current $'000	Non-Current $'000	Total
Secured						
Bank loans	600	2,400	3,000	-	-	-
Equipment finance loan	252	416	668	108	224	332
Total secured borrowings	**852**	**2,816**	**3,668**	108	224	332
Unsecured						
Insurance premium funding	**58**	**-**	**58**	**-**	**-**	**-**
Total borrowings	**910**	**2,816**	**3,726**	108	224	332

Movements in borrowings

The movement in borrowings for the period is shown below:

	Notes	Bank loans $'000	Equipment finance loan $'000	Insurance premium funding $'000	Total $'000
Carrying amount at the start of the year		-	432	-	432
Additional borrowings		-	-	324	324
Repayments during the year		(3,000)	(323)	(292)	(3,615)
Borrowings recognised on acquisition	12	6,000	559	26	6,585
Carrying amount at end of year		3,000	668	58	3,726

(i) Secured liabilities and assets pledged as security

Bank loans represent amounts borrowed under the Group's multi-option working capital facility with NAB. The loan is in the form of a three-year corporate market loan interest only for the first six months followed by quarterly amortisation payments (repayment of principal) of $300,000. The carrying amount of the bank loans is a reasonable approximation of their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Operations - Operating assets and liabilities (continued)

The facility is secured by a fixed and floating charge, finance leases are secured over the related assets and floating charges over the remainder of the Group. Covenants imposed by the bank include a Finance Charges Cover Ratio, whereby the Group's EBITDA, adjusted for onerous lease payments and any finance lease charges, must exceed interest expenses by a ratio of 2:1, an Operating Leverage to EBITDA Ratio, whereby the Group's Total Debt must not exceed 3:1, and a Bank Guarantee Security Value covenant to be less than 100% at all times.

During the year, Legacy LogiCamms were subject to covenants imposed by the bank including a Finance Charges Cover Ratio, whereby the Group's EBITDA, adjusted for onerous lease payments and any finance lease charges, must exceed interest expenses by a ratio of 2:1 and also an EBITDA covenant whereby EBITDA must fall within 85% of the forecast EBITDA provided to the bank as part of the annual renewal process. Legacy LogiCamms breached its covenants at September, December and March testing dates due to expenditure associated with its strategic balance sheet repair and merger activities. Legacy LogiCamms obtained a waiver from the bank for these breaches.

As part of the transaction during the financial year, the Group renewed its facilities with NAB, extending the expiry date of the multi option facility to 30 June 2022. The new facility was contingent upon a $3million reduction to the NAB Corporate Markets loan balance of $6million at the time of the merger. An amount of $3million was repaid by OSD during the settlement process. Details of the amount utilised and available at the reporting date is set out below:

Facility	Limit at 30 June 2019	Amount used	Amount available
NAB Multi-option Facility	$11.0 million	$7.798 million	$3.26 million
Corporate Markets Loan	$3.0 million	$3.0 million	$0.0 million
Bank Guarantee Facility	$6.5 million	$4.74 million	$1.76 million
Business Overdraft	$1.5 million	$0.0 million	$1.5 million
Insurance Premium Loan		$0.058 million	$0.0 million
Total	$11.0 million	$7.798 million	$3.26 million

The Multi-Option facility also has a corporate credit card facility with a limit of $0.30million (repaid monthly) and an asset finance facility with a limit of $1.5million (currently drawn $0.5million),

Finance leases

The Group leases various plant & equipment under finance leases expiring within 3 years. At the end of the lease the Group will obtain ownership of the assets.

	2019 $'000	2018 $'000
Commitments in relation to finance leases are payable as follows:		
Within one year	**291**	137
Later than one year but not later than five years	**441**	224
Minimum lease payments	**732**	361
Future finance charges	**(64)**	(29)
Recognised as a liability	**668**	332
The present value of finance lease liabilities is as follows:		
Within one year	**252**	108
Later than one year but not later than five years	**416**	224
Minimum lease payments	**668**	332

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 Operations - Operating assets and liabilities (continued)

(i) Bank guarantees and contract performance bonds

The Group utilises bank guarantees and contract performance bonds as security for its obligations under premises leases and to guarantee its performance and warranty obligations under certain construction, procurement and engineering services contracts. Refer to note 5(g)(i) for detail.

(ii) Other facilities

The Group uses short term finance to fund expenses such as its insurance premiums and software licenses so that the cash flow for these annual expenditures is spread over the year. These loans are not secured.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	2019 $'000	2018 $'000
Net debt		
Cash and cash equivalents	**8,346**	5,160
Borrowings – repayable within one year	**(910)**	(108)
Borrowings – repayable after one year	**(2,816)**	(224)
Net debt	**4,620**	4,828
Cash	**8,346**	5,160
Gross debt – fixed interest rates	**(726)**	(332)
Gross debt – variable interest rates	**(3,000)**	-
	4,620	4,828

	Other assets	**Liabilities from financing activities**			
	Cash $'000	**Bank loans $'000**	**Equipment finance $'000**	**Premium funding $'000**	**Total $'000**
Net debt as at 1 July 2018	5,160	-	(332)	-	4,828
Cash flows	129	-	223	-	352
Additions through business combinations (note 12)	3,057	(3,000)	(559)	(26)	(528)
Insurance premium finance	-	-	-	(32)	(32)
Net debt as at 30 June 2019	**8,346**	**(3,000)**	**(668)**	**(58)**	**4,620**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

6 Non-operating assets

(a) Property, plant and equipment

	Plant and equipment $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Total $'000
Non-current assets				
At 1 July 2018				
Cost	3,431	779	-	4,210
Accumulated depreciation	(2,889)	(338)	-	(3,227)
Net book amount	542	441	-	983
Year ended 30 June 2018				
Opening net book amount	542	441	-	983
Additions	156	92	-	248
Disposals	-	(100)	-	(100)
Depreciation charge	(206)	(99)	-	(305)
Exchange differences	(3)	(8)	-	(11)
Closing net book amount	488	325	-	815
At 30 June 2018				
Cost	2,670	573	-	3,243
Accumulated depreciation	(2,180)	(247)	-	(2,427)
Net book amount	**489**	**325**	**-**	**815**
Year ended 30 June 2019				
Opening net book amount	489	325	-	815
Additions	54	41	-	95
Additions through business combinations (note 12)	1,018	1	945	1,964
Disposals	-	(1)	-	(1)
Depreciation charge	(186)	(92)	-	(278)
Exchange differences	2	7	-	9
Closing net book amount	**1,377**	**283**	**945**	**2,605**
At 30 June 2019				
Cost	3,748	614	945	5,307
Accumulated depreciation	(2,371)	(331)	-	(2,702)
Net book amount	**1,377**	**283**	**945**	**2,605**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

6 Non-operating assets (continued)

(a) Property, plant and equipment (continued)

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss from derecognising the assets (the difference between the proceeds of disposal and the carrying amount of the asset) is included in “Other income” in the period the asset is recognised.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives for the current and comparative periods are as follows:

Plant and equipment 3 - 10 years

Building fit out costs 4 - 7 years

Motor vehicles 4 - 5 years

Leased assets

Leases for which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and the leased assets are not recognised on the Group’s consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

6 Non-operating assets (continued)

(b) Intangible assets

	Goodwill $'000	Systems and Software $'000	Development Costs $'000	Total $'000
Non-Current assets				
At 1 July 2018				
Cost	1,123	458	138	1,719
Accumulation amortisation and impairment	-	(317)	(98)	(415)
Net book amount	**1,123**	**141**	**40**	**1,304**
Year ended 30 June 2018				
Opening net book amount	1,123	141	40	1,304
Amortisation charge	-	(50)	(17)	(67)
Closing net book amount	**1,123**	**91**	**23**	**1,237**
At 30 June 2018				
Cost	1,123	424	138	1,685
Accumulation amortisation and impairment	-	(333)	(115)	(448)
Net book amount	**1,123**	**91**	**23**	**1,237**
Year ended 30 June 2019				
Opening net book amount	1,123	91	23	1,237
Additions through business combinations (note 12)	13,080	-	-	13,080
Amortisation charge	-	(41)	(20)	(61)
Closing net book amount	**14,203**	**50**	**3**	**14,256**
At 30 June 2019				
Cost	14,203	424	138	14,765
Accumulated amortisation	-	(374)	(135)	(509)
Net book amount	**14,203**	**50**	**3**	**14,256**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

6 Non-operating assets (continued)

(b) Intangible assets (continued)

Goodwill

Goodwill that is acquired in a business combination is initially measured at cost. Goodwill is measured at the cost of the acquisition less the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Refer to note 8(c) for goodwill impairment assessment and input judgements.

Software and Systems

Capitalised software expenditure is initially recognised at cost. The expenditure capitalised includes the direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Following initial recognition, software and systems are carried at cost less amortisation and any impairment losses. Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use. The estimated useful life applied is between 4 and 6 years.

7 Capital and reserves

(a) Share capital and reserves

Share Capital - Movements in ordinary share capital

	Date	Shares	Issue Price	$'000
Balance	1 July 2018	11,032		5,783
Elimination of legal acquiree shares	28 June 2019	(11,032)	$0.00	-
Shares on acquisition of OSD (reverse acquisition of LogiCamms)*	28 June 2019	118,469	$0.00	-
Shares on acquisition of LogiCamms (reverse acquisition of LogiCamms)**	28 June 2019	82,326	$0.18	**15,230**
On issue at 30 June - fully paid		**200,795**		**21,013**

Reserves - Movements in reserves

	2019 $'000	2018 $'000
Foreign currency reserve	(45)	**(156)**
Share based payments reserve	84	**84**
Replacement awards on acquisition of OSD (reverse acquisition of LogiCamms)	284	**-**
Total Reserves	**323**	**(72)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

* The issue of shares to the legal acquiree (OSD) shareholders was calculated under the terms of the Sale and Purchase Agreement whereby they received shares equating to 59% of the total equity issued of the legal acquirer post transaction. As the legal acquirer (LogiCamms) had 82,325,964 shares prior to the transaction, this equated to 118,469,070 shares being issued to the legal acquiree shareholders.

** The legal acquirer (LogiCamms) had 82,325,964 shares prior to the transaction. As it is the legal parent, the number of shares on issue is equivalent to the consideration as if the legal acquirer (OSD) had purchased it using the share price at the day the transaction completed.

- Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Where share capital recognised as equity is repurchased, the amount of consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Declared and paid during the period

Declared and paid during the period	2019 $'000	2018 $'000
Current Year Interim	331	780
Previous Year Final	1,853	223
Total	**2,184**	1,003

Franking credits	2019 $'000	2018 $'000
Franking credits available for subsequent reporting periods based on a tax rate of		
30.0% (2018 – 27.5%)	**2,263**	1,187

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk

(a) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sale of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and term deposits.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(b) Financial risk management (continued)

Overview (continued)

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk management framework

The Board of Directors have delegated to the Audit and Risk Committee the responsibility to exercise oversight of how management monitors and reviews the adequacy of the risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a contracting entity fails to meet its obligations under a financial instrument or customer contract that will result in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (principally from customer receivables and financial guarantees granted to customers) and financing activities including deposits with financial institutions.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the end of the reporting period was:

	2019 $'000	2018 $'000
Trade receivables (net of provision for impairment)	**23,226**	8,794
Other financial assets	**-**	175
Sundry debtors and prepayments	**1,164**	308
Contract assets	**5,579**	357
	29,969	9,634
Cash and cash equivalents	**8,346**	5,160
	38,315	14,794

Credit risks related to trade receivables and contract assets

The Group trades with recognised, creditworthy third parties such as government bodies, large contracting companies or customers whom the Group has established trading history with. Customer credit risk is managed based on established policies, procedures and controls relating to customer credit risk management. This includes:

for new customers - performing a creditworthiness assessment before credit terms are allowed and including the performance of credit checks if required

prior to signing a large contract - credit worthiness is assessed as part of the process of submitting the bid and negotiating terms and conditions

purchase limits - outside special terms required for large contracts, credit limits are established for each customer

In addition, the recoverability of trade receivable balances are regularly monitored as part of the monthly commercial and performance reviews of each major project by senior management to ensure that the trade receivables and the carrying value of each project's work in progress is recoverable. In extreme cases, the Group may consider ceasing work until any aged outstanding receivables or disputed amounts are paid or resolved.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(b) Financial risk management (continued)

Credit risk (continued)

Credit risks related to trade receivables and contract assets (continued)

With effect from 1 July 2018, the Group applies a simplified approach in calculating ECLs for trade receivables and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

A receivable is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence that a receivable is credit-impaired includes observable data about significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

Set out below is the information about the credit risk exposure at 30 June 2019 on the Group's trade receivables and contract assets, for which lifetime expected credit losses are recognised, using a provision matrix.

The maximum exposure to credit risk for trade and other receivables (excluding loss allowances) by geographic region is as follows.

	2019 $'000	2018 $'000
Australia	**26,997**	8,455
New Zealand	**1,954**	750
	28,951	9,205

Details of the Group's most significant customer receivable balances at 30 June 2019 are shown in the following table. The most significant single customer at 30 June 2019 is a large, publicly listed resources company.

	Carrying amount 2019 $'000	**% of trade receivables 2019**	Carrying amount 2018 $'000	% of trade receivables 2018
Most significant single customer	5,744	25%	2,737	31%
Top ten most significant customers	15,563	67%	7,228	87%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(b) Financial risk management (continued)

Credit risk (continued)

Impairment losses (continued)

The movement in the loss allowance in respect of trade receivables and contract assets during the year was as follows, comparative amounts for 2018 represent the loss allowance under AASB 139:

	2019 $'000	2018 $'000
Closing loss allowance as at 30 June 2018 (calculated under AASB 139)	**55**	-
Amounts restated through opening retained earnings *	**-**	-
Opening loss allowance as at 1 July 2018 calculated under AASB 9	**55**	-
Increase in loan loss allowance recognised in profit and loss during the year	**91**	-
Closing loss allowance as at 30 June 2019	**146**	55

*The restatement on transition to AASB 9 as a result of applying the expected credit risk model was immaterial.

Accounting policy applied until 30 June 2018

Trade receivables, which generally have 30 to 60 days terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

Bad debts are written off when identified. Collectability of trade receivables is reviewed on an ongoing basis at a Company and business unit level. An impairment provision is recognised where there is objective evidence that the Group will not be able to collect the receivables.

Financial difficulties of the debtor, default payments, historical bad debt performance or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Credit risks related to financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's Finance team. Investments of surplus funds are made with the Group's bankers who have a credit rating by Standard & Poor's rating agency of AA- or higher.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages this risk by ensuring, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Group ensures that it has sufficient cash available on demand to meet expected operational commitments in the short term including the servicing of financial obligations. The Group regularly forecasts cash flows to assess future liquidity requirements with sufficient time to hold discussions with the Group's bankers, if such discussions are required.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(b) Financial risk management (continued)

The following are the contractual maturities of the Group's liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000
Balance at 30 June 2019				
Financial liabilities				
Trade payables	16,988	16,988	16,988	-
Borrowings (excluding finance leases)	3,058	3,058	658	2,400
	20,046	**20,046**	**17,646**	**2,400**
Balance at 30 June 2018				
Financial liabilities				
Trade payables	2,933	2,933	2,933	-
	2,933	2,933	2,933	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(b) Financial risk management (continued)

Liquidity risk (continued)

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2019 $'000	2018 $'000
Bank overdraft	1,500	1,100
Bank loans	-	408
Bank guarantee	1,760	5,651
	3,260	7,159

As at 30 June 2019 the Group had utilised a total of $7.74million of the $11.0million limit of its Multi Option Facility with NAB and $0.5million of the $1.5million limit of its equipment finance facility. The facility limit of the Multi-Option facility can be allocated between working capital and bank guarantees as required.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is managed by ensuring that total interest rate cover is well in excess of minimum bank covenant requirements, to ensure the Group retains a high level of flexibility to absorb any adverse movements in interest rates.

Profile

At reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2019 $'000	2018 $'000
Variable rate instruments		
Financial assets	**8,346**	5,160
Financial liabilities	**(3,000)**	-
	5,346	5,160
Fixed rate instruments		
Financial liabilities	**(58)**	-

Cash flow sensitivity analysis for variable rate instruments

A change of 200 basis points in interest rates would have increased (decreased) equity and profit by the amounts shown below. A sensitivity of 2% (2018: 2%) has been selected as this is considered reasonably possible. The Directors cannot nor do not seek to predict movements in interest rates. These sensitivities are shown for illustrative purposes only.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(b) Financial risk management (continued)

Profile (continued)

	2019 $'000	2018 $'000
Effect on profit before tax increase/(decrease)		
If interest rates were 2% higher (2018: 2%)	**7**	10
If interest rates were 2% lower (2018: 2%)	**(7)**	(10)
Effect on profit after tax increase/(decrease)		
If interest rates were 2% higher (2018: 2%)	**5**	7
If interest rates were 2% lower (2018: 2%)	**(5)**	(7)
Effect on shareholders' equity increase/(decrease)		
If interest rates were 2% higher (2018: 2%)	**5**	7
If interest rates were 2% lower (2018: 2%)	**(5)**	(7)

Foreign exchange risk

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities that are denominated in or related to a currency that is not the Group’s functional currency. The Group’s most significant foreign exchange exposure relates to the New Zealand Dollar however this risk is considered low given the insignificant level of cross border transactions between Australia and New Zealand.

Fair value versus carrying amounts

The fair values and carrying amounts of financial assets and liabilities shown in the balance sheet were not materially different at 30 June 2019 due to the short-term nature of these financial assets and liabilities.

The Group has no financial instruments carried at fair value and therefore has not disclosed the fair value hierarchy.

Capital management

The Board’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders’ equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Group aims to provide a balance between share price / capital growth and income in the form of dividends. The ultimate dividend paid will be determined by the board after consideration of general business and financial conditions, working capital requirements, taxation position, and future capital expenditure requirements.

As at the balance date the Group had a multi-option working capital and bank guarantee facility of $11.0million (refer to Note 5(g) for details of this facility). The Group monitors its working capital position on a monthly basis and forecasts its cash flows on a weekly basis to ensure that adequate levels of liquidity are maintained at all times.

The Group also has in place an equipment lease facility with NAB of $1.5million (currently utilised $0.5million) used to fund IT capital expenditure.

The financial statements have been prepared on a going concern basis, which contemplates that the Group will continue to meet its commitments, realise its assets and settle its liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Financial Performance and Position

The Group recorded an operating loss in FY19 of $0.2 million (2018: profit of $4.7million (restated)) and operating cash inflows of $2.4million (2018: of $5.2million). These results included $1.3million of transaction costs related to business combination during FY19. As at 30 June 2019 cash on hand was $8.3million (30 June 2018: $5.2million) and borrowings and accrued interest under the capital markets loan totalled $3.0million (30 June 2018: $nil).

Banking Facilities

The Group operates its business activities through careful management of its cash reserves, operating cash flows and a "Multi-Option" finance facility provided by NAB. At 30 June 2019, this facility had a limit of $11.0million, split $3.0million to a corporate market loan used to re-finance term debt and has an expiry date of the 30th of June 2022, $6.5million to a bank guarantee facility, and $1.5million overdraft facility to assist with short-term working capital requirements. The Group also had a revolving lease facility with a limit of $1.5million. Amortization of the corporate market loan will increase headroom in the bank guarantee facility by an equal amount maintaining the overall facility limit at $11.0million.

Available headroom in the overdraft facility at 30 June 2019 was $1.5million. Further details on the bank facilities, including applicable financial covenants, can be found in note 5(g).

The nature of the Group's work also requires that bank guarantees or bonds are issued in relation to certain projects during the construction phase or in respect of warranty periods for control systems and electrical instrumentation. At 30 June 2019, the Group had on issue $4.7million in bank guarantees and bonds. The Group believes that the $1.8million headroom available under the NAB facilities as at August 2019 is sufficient to meet the future bank guarantee requirements of any currently identified projects or proposals.

Strategic balance sheet repair

During the year ended 30 June 2019 the Directors engaged an external advisor to review the Company's strategic funding options. Six funding options were identified, including equity issues, sale of assets and hybrid debt alternatives, with the preferred option being selected by the Board being a trade debtor finance facility combined with a convertible note issue. Work commenced on implementing this option in December 2019.

Subsequent to commencement of this option the Directors determined a merger proposal received from OSD Pty Limited, a privately-owned engineering consulting company with operations in Australia and New Zealand, was competitive with the Board's preferred refinancing option due to the potential synergies between the two businesses and the lower risk and accelerated return to sustainable profitability that such a merger offered.

On 15 January 2019 the Company executed a confidential, non-binding terms sheet and both parties commenced to undertake due diligence. On the 24th of March 2019 following successful due diligence a binding share sale and purchase agreement was signed with OSD Pty Limited. An Extraordinary General Meeting of shareholders voted overwhelmingly in favour of the merger on the 24th of June 2019 and the transaction completed on the 28th of June 2019.

Financial position and basis of preparation

At 30 June 2019 the Group had $8.3million of cash on hand and undrawn overdraft facilities of $1.5million. As noted, at 30 June 2019 the Group recorded an operating loss after tax of $0.2million, recorded a net operating cash inflow of $2.4million and has total current borrowings of $0.9million.

The Group has prepared detailed cash flow forecasts for the next twelve months which show an improvement in operating cash flows. The Group continues to have a strong cash collection and billing cycle over its debtors and contract assets with minimal debts being written off during the year and the aging profile of contract assets and debtors consistent with prior periods.

The Directors believe that the $2.6million headroom remaining under the Multi-option Facility with NAB is sufficient to meet the foreseeable future working capital and bank guarantee requirements of the business. However, should actual results or future forecasts indicate that additional working capital is required in the future, the Directors are confident that the Group will be able to raise additional funds through an equity raising, by obtaining alternative longer-term debt facilities or through the sale of assets.

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Director's expect the Group to operate within the limit of its current facilities.

Impairment

Financial assets

The group has two types of financial assets, trade receivables and contract assets, that are subject to impairment assessment using the expected credit loss model.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(c) Impairment (continued)

Non-financial assets

Testing for impairment

The Group tests non-financial assets for impairment:

- At least annually for indefinite life intangible assets and goodwill; and
- Where there is an indication that the asset may be impaired (which is assessed at least each reporting period); or
- Where there is an indication that previously recognised impairment (on assets other than goodwill) may have changed.

If any such indication exists then the asset's recoverable amount is estimated, being the greater of its value in use and its fair value less costs to sell.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Inputs to impairment calculations

The Value-In-Use calculation uses cash flow projections based on the Group's corporate plans and business forecasts prepared by management and approved by the Board. The corporate plans are developed annually and on the understanding that actual outcomes may differ from the assumptions used. For these calculations, adjustments are incorporated for the relevant industry metrics. In the circumstances that the Cash Generating Unit ("CGU") is unable to achieve the forecast growth in earnings, there is a risk that the carrying value of the CGU would exceed its recoverable amount.

Cash flow projections over the five year period, which are based on Group estimates, take into consideration historical performance as well as expected long term operating conditions. Growth rates do not materially exceed the consensus forecasts of the long term average growth rate for the market sector in which the CGU operates.

The pre-tax discount rates are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary, and other assumptions are determined with reference to external sources of information and use consistent, conservative estimates for variables such as terminal cash flow multiples. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values.

EBITDA and projected margins are based on actual performance in prior years adjusted for expected efficiency improvements, volume increases and overhead cost reductions.

Goodwill on acquisition

In accordance with AASB 3, LogiCamms has provisionally recognised goodwill of $13.08million subject to finalisation of the assessment of fair values of the identifiable assets and liabilities acquired during the measurement period which may result in adjustments to the initial value of goodwill on acquisition. Goodwill arising upon acquisition has not been tested at 30 June 2019 on the assumption it already represents the fair value of LogiCamms business due to the proximity of the acquisition to the year-end.

Existing Goodwill

OSD, as the accounting acquirer, has existing goodwill of $1.2million which had arisen through a previous merger with GWB Engineering Pty Ltd. in 2011. The goodwill had been allocated to the legacy OSD East business unit within which GWB was subsequently integrated. The East business unit was considered as a separate CGU and was used to assess for impairment on a stand-alone basis excluding any expected synergies from the merger with LogiCamms.

Impairment charge

Following the impairment assessment, the legacy OSD goodwill is supported and no impairment is required.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

8 Risk (continued)

(c) Impairment (continued)

Non-financial assets (continued)

Impairment calculations

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal or Value-In-Use.

The recoverable amount of the goodwill is based on a Value-In-Use calculation with respect to the CGU and was determined by applying a five year net present value calculation of projected cash flows and a terminal value at the end of the fifth year. The calculation of Value-In-Use was determined having regard to the following key assumptions:

- A pre-tax discount rate applied to cash flows of 17.14%
- Expected future profits for the first year based on the Board approved budget for FY20
- EBITDA margins in the mid-single digits
- Future revenue growth remains at similar levels to current year budget.

Sensitivity to changes in assumptions

Management recognises that there are various reasons the estimates used in these assumptions may vary. There are no possible changes in key assumptions that could cause the carrying value of the CGU to exceed its recoverable amount.

9 Corporate and Group

(a) Group entities

Parent and ultimate controlling entity

The Group's principal subsidiaries at 30 June 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

9 Corporate and Group (continued)

(a) Group entities (continued)

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 Group and are deconsolidated from the date that control ceases.

	Australian Company /	Country of	Ownership interest	
	Business Number(s)	incorporation	2019 %	2018 %
OSD Pty Ltd	ACN 058 047 046	Australia	**100**	-
OSD Asset Services Pty Ltd	ACN 117 904 042	Australia	**100**	-
PIPEd Pty Ltd	ACN 117 496 741	Australia	**100**	-
OSD Projects Pty Ltd	ACN 153 827 279	Australia	**100**	-
OSD Velocity Pty Ltd	ACN 611 464 996	Australia	**100**	-
GWB Engineering Pty Ltd	ACN 058 405 762	Australia	**100**	
LogiCamms Holdings Pty Ltd	ACN 163 483 636	Australia	**100**	100
LogiCamms (WA) Pty Ltd	ACN 127 715 762	Australia	**100**	100
LogiCamms West Pty Ltd	ACN 059 540 831	Australia	**100**	100
LogiCamms Consultants Trust	ABN 69 868 703 406	Australia	**100**	100
LogiCamms (PNG) Pty Ltd	ACN 078 567 049	Australia	**100**	100
Competency Training Pty Ltd	ACN 113 051 139	Australia	**100**	100
LogiCamms Australia Pty Ltd	ACN 113 919 565	Australia	**100**	100
LogiCamms (CGH) Pty Ltd	ACN 103 283 638	Australia	**100**	100
LogiCamms (Central) Pty Ltd	ACN 008 190 207	Australia	**100**	100
LogiCamms Shared Services Pty Ltd	ACN 101 159 184	Australia	**100**	100
LogiCamms Consulting Pty Ltd	ACN 604 427 894	Australia	**100**	100
Petromod Pty Ltd	ACN 149 788 929	Australia	**100**	100
LogiCamms New Zealand Limited (formerly Independent Technology		New Zealand	**100**	100
Independent Technology Holdings Limited		New Zealand	**100**	100
ITL Engineering New Zealand Limited		New Zealand	**100**	100
ITL Limited		New Zealand	**100**	100
ITL Engineering Australia Pty Ltd		New Zealand	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Parent entity disclosures

	2019 $'000	2018 $'000
Result of the parent entity – LogiCamms Limited		
(Loss) and comprehensive income for the year	(11,625)	(1,223)
Financial position of parent entity at year end		
Current assets	3,863	5,634
Total assets	30,080	50,279
Current liabilities	(13,083)	(7,944)
Total liabilities	(16,518)	(13,990)
Net assets	13,562	36,289
Total equity of the parent entity comprising of		
Share capital	68,986	68,943
Reserves	6,263	5,621
Accumulated losses	(61,687)	(38,275)
	13,562	36,289

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

9 Corporate and Group (continued)

(a) Group entities (continued)

Parent entity contingencies

	2019 $'000	2018 $'000
GST liabilities of other entities within the GST Group	**-**	-
Tax (assets)/liabilities of other entities within the Tax Consolidated Group	**(3,850)**	(3,850)

Tax consolidation

LogiCamms and its wholly-owned Australian controlled entities elected to form a tax consolidation group with effect from 30 June 2019 and are therefore taxed as a single entity. LogiCamms is the head entity of the tax consolidated group.

The head entity, LogiCamms, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

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

The entities have also entered into tax sharing and tax funding agreements, under which the wholly-owned entities fully compensate LogiCamms for any current tax payable assumed and are compensated by LogiCamms for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to LogiCamms under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

(b) Equity accounted investees

Name of entity	Country of incorporation	Ownership 2019 %	2018 %
KEGS SOFTWARE PTY LTD	Australia	30	30

	30 June 2019 $'000	30 June 2018 $'000
Current assets	**124**	68
Non-current assets	**12**	11
Total assets	**136**	79
Current liabilities	**(6)**	10
Total liabilities	**(6)**	10
Net assets	**141**	69
Group's share of net assets	**42**	21
Revenues	**233**	161
Expenses	**136**	109
Profit / (Loss)	**97**	52
Group's share of profit at 30%	**29**	16

Movement in Investment in associate	2019	2018
Opening Balance July 1	**411**	395
Earnings from investment	**29**	16
Dividends from investment	**(24)**	-
Closing Balance June 30	**416**	411

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

9 Corporate and Group (continued)

(b) Equity accounted investees (joint venture)

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

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

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

(c) Related parties

Key Management Personnel compensation

The Key Management Personnel compensation included in 'Personnel expenses' (see Note 4(f)) is as follows:

	2019 $	2018 $
Short-term employee benefits	**1,134,627**	1,069,516
Post-employment benefits	**87,845**	89,725
Non-monetary benefits	**37,046**	54,439
Share-based payments	**78,608**	-
	1,338,126	1,213,679

Individual Directors and executives compensation disclosures

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Key Management Personnel and their related parties

No loans were made to Key Management Personnel and their related parties during the year. The Group has not advanced loans to key management persons or their related parties.

338,462 ordinary shares (refer to note 10) were provided to Key Management Personnel during the reporting period upon exercise of rights granted as compensation in prior periods (2018: 16,666). These ordinary shares are in relation to legacy LogiCamms.

In addition, 424,909 ordinary shares were awarded to Key Management Personnel of legacy OSD.

The movement during the reporting year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by Key Management Personnel is detailed in the Remuneration Report.

The terms and conditions of these transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.\

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Non-Key Management Personnel disclosures

There were no transactions with non-Key Management Personnel during the year that require disclosure.

Acquisition of shares from related parties

There were no acquisitions of shares from related parties in the 2019 financial year (2018: nil).

Subsidiaries

There is a related party relationship between the parent, LogiCamms Limited, and each of its subsidiaries listed in Note 9(a).

10 Share-based payments

Four separate tranches of performance rights were in effect during the 2019 financial year. The first issued on 28 September 2016, the second issued on 25 October 2017, the third on 26 November 2018, and the fourth on 28 November 2018. These performance rights are in relation to legacy LogiCamms employees, as a result these numbers have not passed through the consolidated statement of changes in equity.

The terms and conditions of the Rights are as follows:

Tranche: 28 September 2016

The performance period for rights issued 28 September 2016 under the 2016 LTI awards is the year from 1 July 2015 to 30 June 2016. The Performance Rights vest into shares for no further consideration on a 1 for 1 basis subject to tenure at the time of vesting. These Performance Rights vested on 6 July 2018.

The LTI dollar value determined for each executive was calculated based on a percentage of the executive's annual fixed remuneration for the year ended 30 June 2016 and ranges from 30% to 50%. The number of Performance Rights awarded to each executive was calculated by reference to the fair value of each Performance Right at 30 June on the financial year to which the award relates.

Tranche: 25 October 2017

The terms of the Performance Rights issued Flora Furness on 25 October 2017 required that the recipient must remain in the continuous employment of the Company until the vesting date. These Rights have no exercise price and are to be settled by award of shares at a conversion ratio of 1:1. These Performance Rights vested on 6 July 2018.

Tranche: 26 November 2018

The terms of the Performance Rights issued to Chris O'Neill on 26 November 2018 are as follows:

(a) 200,000 performance rights, vesting 26 November 2019. These performance rights are subject to the following performance conditions: (a) Chris O'Neill remaining employed by the Company at the vesting date; (b) Chris O'Neill successfully achieving (to the satisfaction of the Board) the milestones specified to be achieved in the first four months of the Company's FY20 business plan; (c) Chris O'Neill having successfully implemented (to the satisfaction of the Board) the milestones specified to be implemented in the first four months of FY20 in the Board approved strategic plan for the Company; and (d) Chris O'Neill successfully achieving commercialisation of an activity of the Technology & Innovation business unit in accordance with a Board approved plan. The vesting of this incentive may be pro-rated at the discretion of the Board.

(b) 583,334 performance rights, vesting within 30 days of release of the Company's financial results for FY21. These performance rights are subject to the following performance conditions: (a) Chris O'Neill remaining employed by the Company at the vesting date; and (b) the Group achieving EBITDA for FY21 of at least $12.3m (or such other figure agreed by the Board in approving the budget for the financial year). The award of this incentive may be pro-rated at the discretion of the Board.

(c) 1,166,666 performance rights, vesting within 30 days of release of the Company's financial results for FY22. These performance rights are subject to the following performance conditions: (a) Chris O'Neill remaining employed by the Company at the vesting date; and (b) the Group achieving EBITDA for FY22 of at least $14.4m (or such other figure agreed by the Board in approving the budget for the financial year). The award of this incentive may be pro-rated at the discretion of the Board.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

These Rights have no exercise price and are to be settled by award of shares at a conversion ratio of 1:1.

Tranche: 28 November 2018

The terms of the Performance Rights issued to Charles Rottier on 28 November 2018 are that they will vest at the end of each quarter, commencing 31 December 2018 and ending 30 September 2019, in the amount of 5,000 for each day of service by CLR Consulting Pty Ltd during the relevant quarter. Any Performance Rights not vested by 30 September 2019 will lapse.

These Rights have no exercise price and are to be settled by award of shares at a conversion ratio of 1:1.

General terms

The exercise price for these Performance Rights is nil. Performance Rights carry no voting or dividend entitlements.

The movement in the performance rights for the year is as follows:

Performance Rights	Outstanding at 1 July 2018	Granted	Forfeited or Cancelled	Vested	Outstanding at 30 June 2019
Issued on 28 September 2016	138,462	-	-	(138,462)	-
Issued on 25 October 2017	200,000	-	-	(200,000)	-
Issued on 26 November 2018	-	1,950,000	-	-	1,950,000
Issued on 28 November 2018	-	150,000	-	(60,000)	90,000
	338,462	**2,100,000**	**-**	**(398,462)**	**2,040,000**

11 Unrecognised items

(a) Subsequent events

There are no material events subsequent to balance date that management is aware of that require disclosure.

(b) Operating leases

	2019 $'000	2018 $'000
Leases as lessee		
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	**3,404**	615
Between one and five years	**4,158**	1,633
	7,562	2,248

The Group leases properties in Brisbane, Perth, Melbourne, Adelaide, and Darwin as well as in several regional locations and in New Zealand. The leases typically run for a period of 12 months to 10 years, with options to renew. Most leases increase annually to reflect market rentals or movement in the consumer price index.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

12 Business Combination

On 24 March 2019, LogiCamms announced that it had signed a binding agreement for the legal acquisition of 100% of the shares on issue in OSD's wholly owned subsidiaries. The transaction received approval from LogiCamms shareholders at an Extraordinary Generally Meeting held on 24 June 2019 and, upon successful completion of the conditions precedent, the acquisition was completed on 28 June 2019.

The acquisition of OSD resulted in OSD obtaining 59% of the ordinary shares of LogiCamms and therefore control of the merged entity. Further, the board of directors of the merged entity was restructured with one of the three directors stepping down and being replaced by two OSD board members who will also be employed as executives of the merged entity.

Under the principles of AASB 3 Business Combinations, the transaction represented a business combination and has been accounted for with reference to guidance for reverse acquisitions.

The application of the reverse acquisition guidance of AASB 3 has resulted in the assets and liabilities of the legal subsidiary (the accounting acquirer), being OSD, being measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (the accounting acquiree), being LogiCamms, are measured at fair value on the date of acquisition.

Consideration transferred

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (OSD) in the form of equity instruments issued to the shareholders of the legal parent entity (LogiCamms). Accordingly, the cost of the business combination has been determined below with reference to the fair value of all issued equity instruments of LCM immediately prior to the business combination.

In consideration for the acquisition of all the shares in OSD, LogiCamms issued the following:

	$'000
Ordinary shares (118,469,070 fully paid ordinary shares in LogiCamms)	15,230
Replacement awards (4,780,229 LogiCamms share options to OSD executives and former executives)	284
	15,514

The fair value of the fully paid ordinary shares issued was based on the listed share price of LogiCamms on 28 June 2019 of $0.185 per share.

In accordance with the terms of the acquisition agreement, LogiCamms exchanged equity-settled share-based payment awards held by executives and former executives of OSD (the legal acquiree's awards) for equity-settled share-based payment awards of LogiCamms (the replacement awards). The details of the legal acquiree's awards and replacement awards were as follows:

	Legal acquiree's awards		Replacement awards	
Terms and conditions:	Vesting dates:	21-Jul-2014	Vesting date:	28-Jun-2019
		23-Aug-2016	Expiry date:	21-Jul-2021
	Expiry date:	21-Jul-2021		
Fair value at date of acquisition $'000		284		284

The value of the replacement awards is $284,124. The consideration of the business combination includes $284,047 transferred to executives and former executives of OSD when the acquiree's awards were substituted by the replacement awards, which relates to past service. The balance will be recognised as post-acquisition compensation expense.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

12 Business Combination (continued)

Assets acquired and liabilities assumed at the date of acquisition

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	$'000
Cash and cash equivalents	3,057
Trade and other receivables	17,369
Contract assets	4,896
Property, plant and equipment	1,964
Deferred tax asset	3,323
Deferred tax liability	(1,553)
Trade and other payables	(9,562)
Employee benefits	(3,887)
Contract liabilities	(4,128)
Loan and borrowings	(6,585)
Provisions	(1,642)
Current tax liability	(74)
Other liabilities	(745)
Total identifiable net assets acquired	**2,434**

In accordance with accounting standards, as at 30 June 2019 the acquisition has been completed on a provisional basis (identified intangible assets) and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the above amounts.

Goodwill

Goodwill is calculated as the difference between the fair value of consideration transferred less the identified fair value of the net assets of the legal parent, being LogiCamms, as follows:

	$'000
Consideration transferred	15,514
Less: Fair value of net identifiable assets acquired	(2,434)
Goodwill on acquisition	**13,080**

The calculated goodwill represents goodwill in LogiCamms. The goodwill is attributable mainly to the skills and technical talent of LogiCamms' workforce and the synergies expected to be achieved from integrating the company into Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes. An exercise will be undertaken by the Group during the measurement period to identify the appropriate CGUs and allocate the goodwill.

Revenue and profit contribution

The acquired business contributed a net loss of $1.3million due to expenses triggered by the merger with no trading days during the post-combination period between June 28th and June 30th.
If the acquisition had occurred on 1st July 2018, consolidated pro-forma revenue and profit (EBITDAI) for the year ended 30 June 2019 would have been $119.4million and $6.9million respectively.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

12 Business Combination (continued)

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 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.

13 Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to all the controlled entities of LogiCamms from the Corporations Act 2001 requirements for preparation, audit and publication of accounts. This includes the OSD controlled entities as per Note 9(a).
As a condition of the Class Order, LogiCamms and the controlled entities subject to the Class Order, entered into a deed of indemnity on 28 June 2019. The effect of the deed is that LogiCamms has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that LogiCamms is wound up.

(1) **Holding Entity:**

Name	Australian Company Number or Australian Registered Body Number
LogiCamms Limited	ACN 127 897 689

(2) **Group Entities**

The companies in Note 9(a) represent a ‘closed group’ for the purposes of the Class Order and, as there are no other parties to the deed of cross guarantee that are controlled by LogiCamms Limited, they also represent the ‘extended closed Group’.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. In the opinion of the Directors of LogiCamms Ltd ('the Company'):

(a) the consolidated financial statements and notes set out on pages 28 to 80, and the Remuneration report in the Directors' report, set out on pages 6 to 26, are 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 2019 and of its performance for the financial period ended on that date, and

(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

(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.

2. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors.

Charles Rottier
Chairperson

Brisbane
30 August 2019

DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

(a) the consolidated financial report and notes set out on pages 28 to 80, and the Remuneration report in the Directors' report, set out on pages 14 to 25, are in accordance with the *Corporations Act 2001* (Cth), including:

(b) (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial period ended on that date, and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth);

(c) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

(d) 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* (Cth) from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors made pursuant to section 295(4) & (5) of the *Corporations Act 2001* (Cth) on 30 August 2019.

Charles Rottier
Chairperson

Brisbane
30 August 2019

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

To the members of LogiCamms Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of LogiCamms Limited (the Company) and its controlled entities (together the Group or the consolidated entity) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2019
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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INDEPENDENT AUDITOR'S REPORT

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit we used overall Group materiality of $0.4 million, which represents approximately 1% of the Group's revenue.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group revenue because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The accounting processes are structured around two separate finance teams that are both based in Brisbane, with one for the legacy LogiCamms Limited and its controlled entities (LogiCamms) business and the other for the legacy OSD Pty Ltd and its controlled entities (OSD) business. Our audit procedures for the Group were performed at both businesses.

INDEPENDENT AUDITOR'S REPORT

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Accounting for business combination (reverse acquisition) *Refer to notes 2(c) and 12* In 2019, OSD and LogiCamms signed an agreement to merge their businesses. From an accounting perspective, it was determined that OSD was the acquirer of LogiCamms. Therefore, the transaction has been recognised as a 'reverse acquisition' and the financial statements have been prepared on this basis. The Group's estimate of the fair value of the LogiCamms business acquired as at 28 June 2019 has been reflected in the acquisition accounting, resulting in $13.1 million of goodwill being recognised. Given the proximity of the transaction to the year end, the acquisition accounting has been presented as provisional. The accounting for this transaction is a key audit matter because it is a significant event that occurred during the financial year, and it had a major impact of the financial statements. Furthermore, accounting for reverse acquisitions is complex and the Group made a number of judgements with respect to the allocation of fair value to the assets and liabilities acquired.	Our procedures in relation to the accounting for the business combination included, amongst others: • Reading the terms of the Share Sale and Purchase Agreement; • Assessing the Group's justification for concluding that the transaction should be treated as a 'reverse acquisition' for accounting purposes; • Testing the calculation of the consideration paid by OSD for LogiCamms; • Considering the Group's assessment of the fair value of the assets and liabilities acquired of LogiCamms, and the resulting calculation of the provisional goodwill arising; • Assessing the accuracy and completeness of the relevant business combination disclosures in the financial statement, as well as the other disclosure impacts of the 'reverse acquisition' accounting treatment; and • Considering the audit work papers of the prior year auditor of OSD.
Basis of preparation of financial report *Refer to note 8(b)* As described in Note8 (b) to the financial report, the financial statements have been prepared on a going concern basis, which contemplates that the Group will continue to meet its commitments,	In assessing the appropriateness of the Group's basis of preparation for the financial report, we performed the following audit procedures, amongst others: • Enquired of management and the Board of Directors as to its knowledge of events or conditions that may cast significant doubt on

INDEPENDENT AUDITOR'S REPORT

Key audit matter	*How our audit addressed the key audit matter*
realise its assets and settle its liabilities in the normal course of business. During the financial year ended 30 June 2019, the Group undertook a strategic balance sheet repair that resulted in the successful merger with OSD Pty Limited. The merger has resulted in the Group improving its liquidity position and this has been reflected in the 12 month cash flow forecast. Assessing the appropriateness of the Group's basis of preparation for the financial report was a key audit matter due to its importance to the financial report and the level of judgement involved in assessing forecast cash flows for a period of at least 12 months from the date of the financial report.	the Group's ability to continue as a going concern • Considered the evidence for selected assumptions in the Group's cash flow forecasts; • Read the terms associated with the refinanced debt agreement and assessed the amount and terms of the facility available; and • Evaluated whether the disclosures in Note 8(b) provide adequate disclosures about these events and conditions, in view of the requirements of Australian Accounting Standards.
Contract management: Revenue recognition, recoverability of receivables and related financial statement disclosures *Refer to notes 4(a) and 5(b)* The Group enters into various types of contracts, including fixed price contracts, cost reimbursable contracts, capped cost reimbursable contracts and mixed contracts. For certain types of contracts, including fixed price contracts, revenue is recognised depending on the stage of completion of those services using the input method. The Group has implemented two new accounting standards effective 1 July 2018 which have both had to be considered as part of the Group's accounting for revenue and related receivables and contract assets and liabilities, being AASB 15 *Revenue from customers* and AASB 9 *Financial Instruments*. These accounting standards have also introduced new financial statements disclosures which the Group has been required to consider. We focused on the recognition and presentation of revenue due to the materiality of the revenue balance as a whole, the judgemental nature of the stage of completion of certain of the Group's	We performed the following audit procedures for the each significant revenue streams, amongst others; • Assessing the appropriateness of Group's contract establishment and project management processes related to revenue recognition, trade receivables and contract assets; • For a sample of transactions, obtained the relevant contracts and compared the revenue, contract assets and contract liabilities recognised with the contract terms; • Obtained a sample of significant contracts to identify the potential risk factors including warranty claims arrangements, penalty and incentive clauses, and contingent liabilities; • For a sample of invoices, agreed the sale amount to the cash receipt in the relevant bank statement; • Recalculated the stage of completion for a sample of contracts and projects and compared this to the percentage used by the Group when recognising revenue; • Assessed the completeness of the Group's expected credit loss provision by assessing the aging of receivables and contract asset balances to identify areas of higher risk, for example long aged items or disputed

INDEPENDENT AUDITOR'S REPORT

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Key audit matter	*How our audit addressed the key audit matter*
revenue streams, and the additional disclosure considerations per the requirements of AASB 15 and AASB 9.	amounts, and assessed on a sample basis whether there was any impact on revenue, contract assets or receivables recognised; and • Evaluated whether the disclosures in the financial statements were consistent with the requirements of the Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed 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.

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 have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

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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 the financial report.

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 14 to 25 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of LogiCamms Limited for the year ended 30 June 2019 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Michael Crowe

Michael Crowe
Partner

Brisbane
30 August 2019

ASX INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is correct as at 30 June 2019.

COMPANY INFORMATION

Company Secretary	David Shaw
Registered Office	Level 14, 200 Mary Street Brisbane QLD 4000 T: +61 7 3058 7000 W: www.logicamms.com
Share Registry	Link Market Services Level 21, 10 Eagle Street Brisbane QLD 4000 T: + 61 1300 554 474 W: www.linkmarketservices.com.au

Securities Exchange

LogiCamms Limited is listed on the Australian Securities Exchange, and is not listed on any other securities exchanges.

Other Information

LogiCamms Limited is a public company limited by shares which is incorporated and domiciled in Australia.

SHAREHOLDINGS

Twenty Largest Shareholders

The names of the twenty largest shareholders, and the number of ordinary shares they each hold, is set out below:

Shareholder	Units	% of Units
BRIAN PATRICK O'SULLIVAN	42,786,349	21.31
BOS HOLDINGS AUSTRALIA PTY LTD	34,316,738	17.09
GFNA BARTLEY FAMILY PTY LTD	18,260,477	9.09
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,310,654	6.13
UBS NOMINEES PTY LTD	10,504,063	5.23
HSF SMSF PTY LTD	7,269,985	3.62
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,198,367	3.58
CANDYBLOSSOM PTY LTD	5,350,384	2.66
BLOEMHOF PTY LTD	5,350,384	2.66
ANDREW KEITH HORSTMANN & JENNY ANN HORSTMANN	3,452,389	1.72
GIFFARD SERVICES PTY LTD	3,186,820	1.59
LINTON WAYNE PAUL BURNS & SUZANNE MARY BYRNE	2,995,611	1.49
NORAMARY CONSULTANCY SERVICES PTY LTD	2,000,000	1.00
NEIL MICHAEL GARDNER	1,396,889	0.70
CRAIG SHEATHER	1,221,614	0.61
MR RAHMON CHARLES COUPE & MRS JULIA DEBORAH COUPE	1,107,000	0.55
MR ANDREW JOHN WELDON SMITH & MS SUZANNE ELIZABETH SMITH & MS JULIA YVONNE MUSTARD	1,099,320	0.55
BFA SUPER PTY LTD	1,000,000	0.50
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	917,169	0.46
MR LINTON WAYNE PAUL BURNS	881,687	0.44
TOTAL	**163,455,719**	**81.40**
Balance of Register	**37,339,315**	**18.60**
GRAND TOTAL	**200,795,034**	**100**

Substantial Shareholders

The names of the substantial shareholders and their associates, and the number of ordinary shares they each hold, is set out below:

Shareholder	Units	% of Units
Brian Patrick O'Sullivan	77,103,087	38.40
GFNA Bartley Family Pty Ltd	18,260,477	9.09
TIGA Trading Pty Ltd	15,075,141	7.51
Forager Funds Management Pty Ltd	11,723,964	5.84
HSF SMSF Pty Ltd, Andrew Horstmann, and Jenny Horstmann	10,722,374	5.34
Candyblossom Pty Ltd and Bloemhof Pty Ltd	10,700,768	5.33
TOTAL	**143,585,811**	**71.51**
Balance of Register	**57,209,223**	**28.49**
GRAND TOTAL	**200,795,034**	**100**

DISTRIBUTION RANGES

Ordinary Shares

Range	Total Holders	Units	% of Units
100,001 and over	99	183,242,891	91.26
10,001 – 100,000	443	14,424,880	7.18
5,001 – 10,000	233	1,892,486	0.94
1,001 – 5,000	340	1,095,204	0.55
1 – 1,000	234	139,573	0.07
TOTAL	**1,349**	**200,795,034**	**100**

There were 360 holders of unmarketable parcels of less than $500.

Unlisted Performance Rights

Range	Total Holders	Units	% of Units
100,001 and over	1	1,950,000	95.59
10,001 – 100,000	1	90,000	4.41
5,001 – 10,000	–	–	–
1,001 – 5,000	–	–	–
1 – 1,000	–	–	–
TOTAL	**2**	**2,040,000**	**100**

Unlisted Options

Range	Total Holders	Units	% of Units
100,001 and over	5	4,780,229	100
10,001 – 100,000	–	–	–
5,001 – 10,000	–	–	–
1,001 – 5,000	–	–	–
1 – 1,000	–	–	–
TOTAL	**5**	**4,780,229**	**100**

Voluntary Escrow

Nil.

Buy Back

There is no current on-market buy-back.

Voting Rights

Ordinary Shares – The voting rights attached to ordinary shares are governed by the Constitution. On a show of hands at a meeting of members, each member has one vote. On a poll at a meeting of members, each member has one vote for each fully paid ordinary share held, and a fraction of one vote for each partly paid ordinary share held equal to the proportion which the member has paid on the partly paid ordinary share (if the total number of votes to which a member is entitled to vote does not constitute a whole number, then the fractional part will be disregarded by the Company).

Performance Rights – There are no voting rights attached to any of the Company's performance rights.

Options – There are no voting rights attached to any of the Company's options.

On-Market Purchases

There were no on-market purchases of securities by the Company during the reporting period.

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LogiCamms
OUTSTANDING SERVICE DELIVERY
A MERGER OF OSD & LOGICAMMS