

## WestStar Industrial Limited Appendix 4E Preliminary Final Report

**WestStar Industrial Limited** (the **Company** or **WestStar**) (ASX: WSI), an Australian industrial services company providing engineering, construction and mining services to the resources, energy and infrastructure sectors, is pleased to report on the Company's FY21 Preliminary Final Report.

### Performance Highlights

- Revenue ~\$71.8M, a 15% increase on the previous corresponding period
- EBITDA of \$3,416,290
- This strong result demonstrated an EBITDA margin of 4.8%
- Contracts Awarded during the period of \$72M
- Contracts Secured for FY22 of \$185 million

	Year ended 30 June 2021 \$
Profit after income tax expense	837,477
Add back:	
Interest and financing costs	480,631
Depreciation	1,421,929
Share Based Payments	676,253
<b>EBITDA*</b>	<b>3,416,290</b>

\*EBITDA is a non-AIFRS financial measure which is not prescribed by Australian Accounting Standards ('AAS')

### Revenue

The Company achieved record revenue from ordinary activities of ~\$71.8M a 15% increase on FY2020 (\$62.5M). The contribution to total Group revenue by subsidiaries SIMPEC and Alltype Engineering was \$38.69M and \$33.08M respectively. Revenue for 2HFY21 of \$46.9M was 88% higher than 1HFY21 (\$24.9M). The resulting increase was primarily due to the timing and commencement of new project awards subsequently received after 31 December 2020.

The Company's delivery of second half year revenue of \$46.9M was a record achievement and demonstrates the Group's ability to rapidly deliver large scale revenue. In addition, total FY21 sales of \$71.8M represents yet another record full year revenue for the Group.

### Earnings

It is with great commitment that the Group was able to deliver a record 2HFY21 revenue of \$46.9M and FY21 revenue of \$71.8M, contributing to underlying earnings for the year (EBITDA) of \$3.416M. This strong result demonstrated an EBITDA margin of 4.8%. Unaudited preliminary NPAT for the year was \$837K, a significant turnaround from its 1HFY21 result of (-\$577K).

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## Outlook

The 2021 year has seen an increased level of construction activity. The Company's decision to retain its white-collar expertise in a competitive labour market not only enabled the strong second half revenue delivery, but most importantly enabled the group to deliver and focus on new tenders for major projects. Strong early awards in FY22 reinforce the Company's strategic plan. This increased scale of revenues will provide further efficiencies in comparison to prior periods ultimately delivering significant growth in earnings over the coming year.

WestStar continues to demonstrate its capabilities in awards and delivery of large-scale projects.

The month of August delivered to SIMPEC a \$145 million contract for the Iron Bridge Magnetite Project, for the construction of the Wet Process Plant in the Pilbara region of Western Australia. The award of the Wet Plant Project represents the Group's largest contract win to date and a remarkable achievement for SIMPEC. Continuing projects combined with this award has bolstered the groups forward FY22 order book to \$185M, another record achievement for the Company. The Company expects this forward order book to continue to grow over the coming period.

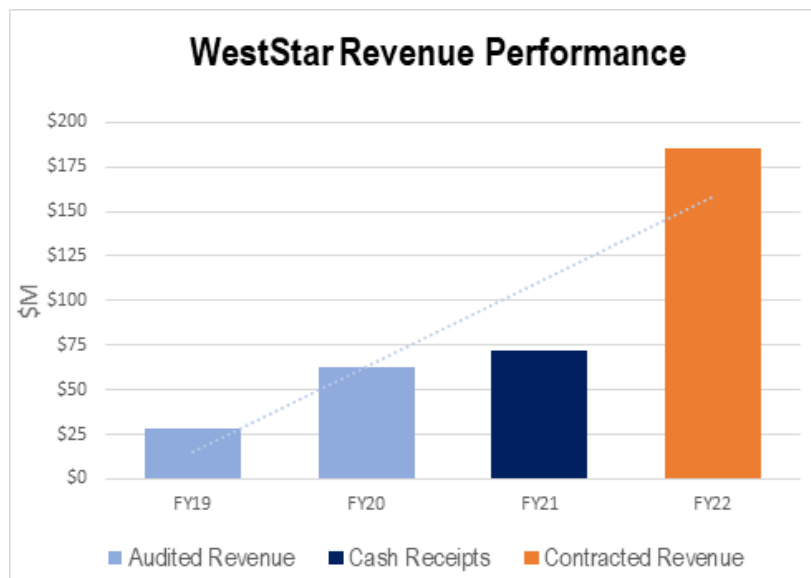


Figure 1: WestStar Industrial Limited Revenue Performance.

WestStar Industrial Group CEO Mr Robert Spadanuda commented:

*“Buoyant economic conditions forecast for the resources, energy and infrastructure sectors in the coming years continue to provide the company with an ever-impressive pipeline of opportunities.”*

*“The 2021 financial year has seen a strong increase in construction activity and the forecast looks to be stronger in the 2022 financial year. Robust commodity prices continue to contribute to strong sentiment in the development of new projects across resources and Oil and Gas sectors which are expected to continue providing diverse opportunities to the group.”*

*“Despite some border closures, the increasing vaccination rates expected by year end, provide the platform for the easing of restrictions with greater availability and diversity in an impacted labour market. WestStar Industrial remains optimistic of continued growth through this period. We remain committed to our strategic plan to deliver upon the growth strategy across the group despite the current uncertainty of COVID19.”*

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*"We continue to develop our reputation as a well-respected, safe, cost competitive group delivering reliable solutions to our clients."*

*"We take this opportunity to acknowledge another successful year in the groups history and sincerely thank all of our employees across the group who continue to help deliver our projects in a safe and well-respected manner."*

*"The coming year will be one of the most exciting years we have embarked on and look forward to delivering greater results to our shareholders."*

**-Ends-**

**For further information please contact:**

**Philip Re**  
Chairman

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**Robert Spadanuda**  
WestStar CEO

[robert@Weststarindustrial.com.au](mailto:robert@Weststarindustrial.com.au)

#### **About WestStar**

WestStar Industrial Limited (ASX: WSI) is an industrial, steel fabrication, installation and maintenance services company focussed on the resources, oil and gas, water and infrastructure sectors.

#### **About SIMPEC**

SIMPEC delivers high quality construction and engineering services with specialisation in structural mechanical and piping (SMP), electrical and instrumentation (E&I), concrete products and civil Services.

For more information: [www.simpec.com.au](http://www.simpec.com.au)

#### **About Alltype**

Alltype Engineering leverages off its fabrication capability and provides complete project solutions including SMP and E&I site installation, construction and maintenance services, across almost every industry in Australia. Alltype delivers consistent quality products and services that underpin its commitment to its vision "to be recognised as the preferred partner in delivering integrated fabrication, site and maintenance services with reliable, innovative and cost-effective solutions".

For more information: [www.alltypeengineering.com.au](http://www.alltypeengineering.com.au)

ASX release authorised by the Board of Directors of WestStar Industrial Limited.

Rule 4.3A

## Appendix 4E Preliminary Final Report

Name of entity

WESTSTAR INDUSTRIAL LIMITED

ABN or equivalent company reference:

38 119 047 693

### 1. Reporting period

Preliminary report for the financial year ended	30 June 2021
Previous corresponding period is the financial year ended	30 June 2020

### 2. Results for announcement to the market

				\$'000
Revenues from ordinary activities (item 2.1)	up	14.8%	to	71,764
Profit from ordinary activities after tax attributable to members (item 2.2)	down	75.8%	to	837
Net profit for the period attributable to members (item 2.3)	down	75.8%	to	837

Dividends (item 2.4)	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Final dividend	Nil	Nil
Record date for determining entitlements to the dividend (item 2.5)	Not Applicable	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6): Refer to item 12.		

### 3. Statement of profit or loss and other comprehensive income

Refer to attached unaudited Preliminary Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021.

### 4. Statement of financial position

Refer to attached unaudited Preliminary Consolidated Statement of Financial Position as at 30 June 2021.

### 5. Statement of Cash flows

Refer to attached unaudited Preliminary Consolidated Statement of Cash flows for the year ended 30 June 2021.

### 6. Statement of changes in equity

Refer to attached unaudited Preliminary Consolidated Statement of Changes in Equity for the year ended 30 June 2021.

## 7. Dividends

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2021	N/A	N/A
Final dividend – year ended 30 June 2021	N/A	N/A

### Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
<b>Total dividend:</b> Current year	N/A	N/A	N/A
Previous year	N/A	N/A	N/A

### Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	N/A	N/A
Preference securities <i>(each class separately)</i>	N/A	N/A
Other equity instruments <i>(each class separately)</i>	N/A	N/A
<b>Total</b>	N/A	N/A

## 8. Details of dividend or distribution reinvestment plans in operation are described below:

	N/A
The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A

## 9. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.011	\$0.009

**10. Details of entities over which control has been gained or lost during the period:**

**Control gained over entities**

Name of entities ( <i>item 10.1</i> )	N/A
Date(s) of gain of control ( <i>item 10.2</i> )	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period ( <i>item 10.3</i> )	N/A

**Loss of control of entities**

Name of entities ( <i>item 10.4</i> )	N/A
Date(s) of loss of control ( <i>item 10.5</i> )	N/A
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost ( <i>item 10.6</i> ).	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period ( <i>item 10.7</i> )	N/A

**11. Details of associates and joint venture entities**

**Name of associate or joint venture entity (*item 11.1*)**      **% Securities held (*item 11.2*)**

N/A	N/A
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**Aggregate share of profits (losses) of associates and joint venture entities (*item 11.3*)**

	2021 \$	2020 \$
<b>Group's share of associates' and joint venture entities':</b>		
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities	N/A	N/A
<b>Net profit (loss) from ordinary activities after tax</b>	N/A	N/A
Adjustments		
<b>Share of net profit (loss) of associates and JV entities</b>	N/A	N/A

**12. Significant information relating to the entity's financial performance and financial position.**

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## Overview

**WestStar Industrial Limited (Company or WestStar)** (ASX: WSI), an Australian industrial services company, operating in the energy, resources, utility and infrastructure sectors, in metropolitan and remote areas, across Australia, is pleased to report on the Company's FY21 Preliminary Final Report.

## Performance Highlights

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- EBITDA of \$3,416,290
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## Outlook (continued)

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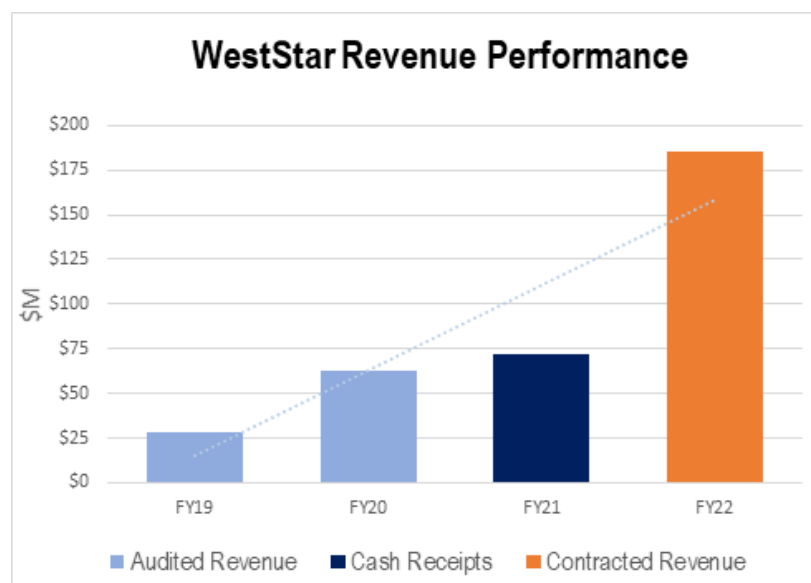


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**13. The financial information provided in the Appendix 4E is based on the preliminary financial report (attached), which has been prepared in accordance with Australian accounting standards.**

**14. Commentary on the results for the period.**

Refer to explanation item 12.

**15. Information on Audit.**

This Appendix 4E and Preliminary Final Report is based on financial statements which are in the process of being audited.

**16. Audit Opinion.**

The audit of the Company is ongoing and so the audit opinion will be delivered in due course.

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**WestStar Industrial Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	30 June 2021 \$	30 June 2020
Revenue	2	71,763,693	62,472,896
Other income	2	419,062	188,643
		<u>72,182,755</u>	<u>62,661,539</u>
Expenses:			
Cost of goods sold		(60,154,528)	(51,227,988)
Occupancy expenses		(286,533)	(671,088)
Administration expenses	3	(7,885,778)	(5,105,312)
Depreciation	6,7	(1,405,631)	(586,978)
Loan written off	8	(275,118)	-
Finance costs	3	(458,585)	(286,369)
Doubtful debts expense		(217,137)	(90,120)
Share based payments expense		(676,253)	(1,167,690)
Profit/(loss) on sale of plant and equipment		(8,631)	(67,940)
<b>Expenses</b>		<u>(71,368,196)</u>	<u>(59,203,484)</u>
<b>Profit / (loss) before income tax</b>		<b>814,559</b>	<b>3,458,055</b>
Income tax expense		-	-
<b>Profit / (loss) after income tax</b>		<b>814,559</b>	<b>3,458,055</b>
<b>Discontinued Operations</b>			
Profit / (loss) after income tax from discontinued operations	14	22,918	-
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss</i>		-	-
<b>Other comprehensive loss, net of tax</b>		-	-
<b>Total comprehensive income / (loss)</b>		<b>837,477</b>	<b>3,458,055</b>
<b>Earnings / (loss) per share</b>			
Basic (loss)/earnings per share		0.001	0.004

**WestStar Industrial Limited**  
**Consolidated Statement of Financial Position**

**AS AT 30 JUNE 2021**

	Note	30 June 2021 \$	30 June 2020 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	13,152,258	6,642,063
Trade and other receivables		13,751,218	10,260,551
Inventories		513,801	410,222
Bank Guarantees		2,195,097	-
Other assets	5	4,571,459	7,012,541
<b>Total Current Assets</b>		<b>34,183,832</b>	<b>24,325,377</b>
<b>Non-Current Assets</b>			
Bank guarantees		829,873	60,650
Trade and other receivables		373,882	844,419
Property, plant & equipment	6	4,551,278	4,338,653
Right of Use Asset	7	2,654,279	2,255,123
Loans Receivable	8	-	908,903
Intangible assets	9	4,508,116	4,508,116
<b>Total Non-Current Assets</b>		<b>12,917,428</b>	<b>12,915,864</b>
<b>Total Assets</b>		<b>47,101,260</b>	<b>37,241,241</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	10	14,591,397	8,454,453
Other payables	10	8,353,917	5,487,738
Provisions		1,332,759	976,051
Borrowings	11	535,803	790,000
Lease liabilities	12	903,062	660,125
Other liabilities	5	3,969,551	5,867,141
<b>Total Current Liabilities</b>		<b>29,686,489</b>	<b>22,235,508</b>
<b>Non-Current Liabilities</b>			
Provisions		161,503	23,276
Lease liabilities	12	2,421,275	1,698,074
<b>Total Non-Current Liabilities</b>		<b>2,582,778</b>	<b>1,721,350</b>
<b>Total Liabilities</b>		<b>32,269,267</b>	<b>23,956,858</b>
<b>Net Assets / (Liabilities)</b>		<b>14,831,993</b>	<b>13,284,383</b>
<b>EQUITY</b>			
Issued capital		20,427,962	19,811,669
Reserves		381,530	772,495
Accumulated losses		(5,977,499)	(7,299,781)
<b>Total Equity / (Deficiency)</b>		<b>14,831,993</b>	<b>13,284,383</b>

WestStar Industrial Limited  
Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

Attributable to Owners of the Company

Notes	Issued Capital \$	Share-based Payments Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 30 June 2019</b>	<b>13,004,376</b>	<b>484,805</b>	<b>(10,757,834)</b>	<b>2,731,347</b>
Change in accounting policies	-	-	-	-
Profit (Loss) for the year	-	-	3,458,055	3,458,055
<b>Total comprehensive profit (loss) for the year</b>	-	-	3,458,055	3,458,055
<b>Transactions with owners in their capacity as owners</b>				
Shares issued - Alltype Engineering Pty Ltd acquisition	5,927,292	-	-	5,927,292
Options issued	-	287,690	-	287,690
Recognition of share-based payments	880,000	-	-	880,000
<b>Balance at 30 June 2020</b>	<b>19,811,669</b>	<b>772,495</b>	<b>(7,299,781)</b>	<b>13,284,383</b>
Change in accounting policies	-	-	-	-
Profit (Loss) for the year	-	-	837,477	837,477
<b>Total comprehensive profit (loss) for the year</b>	-	-	837,477	837,477
<b>Transactions with owners in their capacity as owners</b>				
Shares issued	33,880	-	-	33,880
Transfer of expired options value	-	(484,805)	484,805	-
Recognition of share-based payments	582,413	93,841	-	676,254
<b>Balance at 30 June 2021</b>	<b>20,427,962</b>	<b>381,531</b>	<b>(5,977,499)</b>	<b>14,831,993</b>

**WestStar Industrial Limited**  
**Consolidated Statement of Cashflows**

**FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	30 June 2021 \$	30 June 2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		72,724,662	53,583,474
Payments to suppliers and employees		(62,530,267)	(57,550,462)
Interest received		3,512	11,753
Interest paid		(309,534)	(72,193)
Other income		255,111	-
<b>Net cash flows provided by/(used in) operating activities</b>		<b>10,143,484</b>	<b>(4,027,428)</b>
<b>Cash flows from investing activities</b>			
Payment for bank guarantees		(3,906,539)	-
Proceeds from return of bank guarantees		942,220	-
Proceeds from sale of investments		-	454,631
Purchase of subsidiary, net cash acquired		-	810,855
Purchase of property, plant & equipment	6	(262,056)	(135,728)
Proceeds from sale of property, plant & equipment		155,747	-
Payments for investments		-	(387,720)
<b>Net cash flows provided by/(used in) investing activities</b>		<b>(3,070,628)</b>	<b>742,038</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	19,000
Amounts loaned		(116,965)	(25,471)
Repayment of borrowings		(445,696)	(134,376)
<b>Net cash provided by/(used in) financing activities</b>		<b>(562,661)</b>	<b>(140,847)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>6,510,195</b>	<b>(3,426,237)</b>
Cash and cash equivalents at beginning of period		6,642,063	10,068,300
<b>Cash and cash equivalents at the end of the period</b>	4	<b>13,152,258</b>	<b>6,642,063</b>

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## **NOTE 1: BASIS OF PREPARATION OF THE FINAL REPORT**

### **BASIS OF PREPARATION**

This preliminary final report for the year ended 30 June 2021 relates to the consolidated entity consisting of WestStar Industrial Limited ("WestStar" or "the Group") and its controlled entities.

The preliminary final report has been prepared on an accrual's basis and a historical cost basis except for certain current and non-current assets and financial instruments which are measured at fair value or where otherwise stated. Cost is based on the fair value of consideration given in exchange for assets.

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial report of the year ended 30 June 2020, the half year report for the period ended 31 December 2020 and any public announcements made by WestStar during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The amounts contained in this preliminary final report are presented in Australian dollars, the functional currency of the consolidated entity.

### **STATEMENT OF COMPLIANCE**

The preliminary final report is a general-purpose financial report and has been prepared in accordance with applicable Australian Accounting Standards, other pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The preliminary final report is also in compliance with ASX listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

## **NOTE 2: REVENUE AND OTHER INCOME**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
- Revenue from sale of goods and services	71,763,693	62,472,896
	<b>71,763,693</b>	<b>62,472,896</b>
<b>OTHER INCOME</b>		
- Interest income	3,512	11,927
- Scrap metal sales	162,077	23,427
- Sundry income	153,473	103,289
- ATO Cash boost payment	100,000	50,000
	<b>419,062</b>	<b>188,643</b>

**NOTE 3: EXPENSES**

	2021 \$	2020 \$
<b>ADMINISTRATIVE EXPENSES</b>		
- Employee wages and salaries	4,758,160	3,590,980
- Professional services and consultant fees	1,657,162	409,408
- Insurance	740,965	551,764
- ASX and Share registry fees	60,750	91,413
- Motor vehicle expenses	81,972	128,150
- General administrative costs	586,769	333,597
	<b>7,885,778</b>	<b>5,105,312</b>

	2021 \$	2020 \$
<b>FINANCE COSTS</b>		
- Interest and associated borrowing costs to unrelated third parties	458,585	286,369
	<b>458,585</b>	<b>286,369</b>

**NOTE 4: CASH AND CASH EQUIVALENTS**

	2021 \$	2020 \$
Cash and bank balances	<b>13,152,258</b>	<b>6,642,063</b>
Balances as above	13,152,258	6,642,063
Bank overdraft	-	-
<b>BALANCES PER STATEMENT OF CASHFLOWS</b>	<b>13,152,258</b>	<b>6,642,063</b>

**NOTE 5: OTHER ASSETS AND OTHER LIABILITIES**

The Group has adopted AASB 15. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

The "Contract asset" value below represents costs deferred into the next period under AASB 15.

	2021 \$	2020 \$
<b>Other Assets</b>		
Contract assets	4,571,459	7,012,541
	<b>4,571,459</b>	<b>7,012,541</b>

The "Contract liabilities" value below represents income deferred into the next period under AASB 15.

	2021 \$	2020 \$
<b>Other Liabilities</b>		
Contract liabilities	3,969,551	5,867,141
	<b>3,969,551</b>	<b>5,867,141</b>

**NOTE 6: PROPERTY, PLANT AND EQUIPMENT**

	2021 \$	2020 \$
Gross carrying value at cost	1,442,671	818,389
Accumulated depreciation	(262,951)	(372,211)
Net carrying value at cost	<b>1,179,720</b>	<b>446,178</b>
Gross carrying value at valuation	4,054,865	4,097,665
Accumulated depreciation	(683,307)	(205,190)
Net carrying value at valuation	<b>3,371,558</b>	<b>3,892,475</b>

	Leasehold Improvements \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
<b>Gross carrying value at cost</b>				
At 1 July 2020	200,000	531,476	86,913	818,389
Additions	-	517,175	557,046	1,074,221
Disposals	(200,000)	(249,939)	-	(449,939)
At 30 June 2021	-	798,712	643,959	1,442,671

<b>Accumulated dep'n</b>				
At 1 July 2020	(119,600)	(249,033)	(3,578)	(372,211)
Disposals	128,956	176,603	-	305,559
Depreciation charge	(9,356)	(102,450)	(84,493)	(196,299)
At 30 June 2021	-	(174,880)	(88,071)	(262,951)

	Leasehold Improvements \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
<b>Gross carrying value at valuation</b>				
At 1 July 2020	-	3,843,665	254,000	4,097,665
Additions (Refer Note 4)	-	-	-	-
Disposals	-	(7,800)	(35,000)	(42,800)
At 30 June 2021	-	3,835,865	219,000	4,054,865

<b>Accumulated dep'n</b>				
At 1 July 2020	-	(194,707)	(10,483)	(205,190)
Disposals	-	2,664	1,663	4,327
Depreciation charge	-	(460,527)	(21,916)	(482,443)
At 30 June 2021	-	(652,569)	(30,737)	(683,307)



**NOTE 7: RIGHT OF USE ASSET AND LIABILITY**

The Group has adopted AASB 16 from 1 July 2019.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

	2021	2020
<b>Right of Use Asset</b>	<b>\$</b>	<b>\$</b>
Lease asset	4,041,736	2,899,444
Accumulated depreciation	(1,387,457)	(644,321)
	<u>2,654,279</u>	<u>2,255,123</u>

	<b>Right of Use Asset</b>
	<b>\$</b>
<b>Gross carrying value</b>	
At 1 July 2020	2,899,444
Additions	490,066
Adjustments	652,226
At 30 June 2021	<u>4,041,736</u>
<b>Accumulated dep'n</b>	
At 1 July 2020	(644,321)
Adjustments	-
Depreciation charge	(743,136)
At 30 June 2021	<u>(1,387,457)</u>

**NOTE 8: LOAN RECEIVABLE**

On 18 May 2021 the underlying property asset owned by 24 Prowse Street Pty Ltd was sold with the proceeds used to repay the first registered mortgage. There is no expected return to Distinct Developments Pty Ltd and as such the loan to 24 Prowse Street Pty Ltd has been written off.

**NOTE 9: INTANGIBLE ASSETS**

	2021	2020
	\$	\$
Goodwill - Alltype Engineering	3,515,918	3,515,918
Goodwill - SIMPEC	992,198	992,198
	<u>4,508,116</u>	<u>4,508,116</u>

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**NOTE 10: TRADE AND OTHER PAYABLES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables	14,591,398	8,454,453
Other creditors and accruals	8,353,917	5,501,459
	<b>22,945,315</b>	<b>13,955,912</b>

**NOTE 11: BORROWINGS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Financing facility (i)	300,000	650,000
Loan facility (ii)	235,803	-
Other loan (iii)	-	140,000
	<b>535,803</b>	<b>790,000</b>

- (i) On 12 December 2018, the Group advised that it had received commitments for an unsecured working capital facility of up to \$1 million which has been reduced to \$300,000. As at year end, the total \$300,000 of this facility had been drawn with no remaining balance available. The facility bears interest at 10% p.a.
- (ii) Short term loan facilities were provided during the year. The loans are unsecured and payable in equal instalments bearing interest at 6.72% p.a.
- (iii) This relates to a short-term Westpac financing facility replacing a bank guarantee facility. The amount was repaid in July 2020.

**NOTE 12: LEASE LIABILITIES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Right of Use Lease liability - Current	793,972	638,796
Other lease liabilities - Current	109,089	21,329
	<b>903,062</b>	<b>660,125</b>
	<b>\$</b>	<b>\$</b>
Right of Use Lease liability – Non Current	1,903,680	1,612,580
Other lease liabilities – Non Current	517,595	85,494
	<b>2,421,275</b>	<b>1,698,074</b>

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**WestStar Industrial Limited**  
**Notes to the Preliminary Financial Report**

**NOTE 13: OPERATING SEGMENTS**

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is four relevant businesses segment being:

Precast Australia Pty Ltd provides prefabricated concrete construction services to the construction and resources sectors in Australia. During the year the Company became a Discontinued Operation (see Note 14)

SIMPEC Pty Ltd is a construction contractor with specialist experience in both Structural Mechanical and Piping, Electrical and Instrumentation works.

Alltype Engineering Pty Ltd provides workshop fabrication, site installation, construction and maintenance services to the Oil & Gas, Water, Power Generation, Infrastructure, Mining, Resources, Utility, Petrochemical and Defence Industries.

Distinct Developments Pty Ltd addresses small to mid-size mixed-use property projects, a niche in the local WA market. During the year the Company became a Discontinued Operation (see Note 14)

Segment reporting	Precast \$	SIMPEC \$	Alltype \$	Distinct \$	Group \$
<b>Year ended 30 June 2021</b>					
Segment revenue	-	38,688,340	33,075,353	-	71,763,693
Segment expense	-	(34,876,033)	(25,288,791)	-	(60,164,824)
Segment gross margin	-	3,812,307	7,786,563	-	11,598,869
Segment overheads	-	(3,438,771)	(5,197,628)	-	(8,636,399)
<b>Segment operating profit (loss)</b>	-	<b>373,536</b>	<b>2,588,935</b>	-	<b>2,962,470</b>
Other Income					419,062
Corporate & administration *					(2,566,973)
Discontinued Operations (Note 14)					22,918
<b>Net operating Profit (Loss) after Tax</b>					<b>837,477</b>

\* incl. Share based payments of \$676,253 and a loan written off of \$275,118

<b>Year ended 30 June 2020</b>					
Segment revenue	3,149,021	42,678,216	16,645,659	-	62,472,896
Segment expense	(2,746,391)	(35,556,756)	(12,924,841)	-	(51,227,988)
Segment gross margin	402,631	7,121,460	3,720,818	-	11,244,908
Segment overheads	(1,712,026)	(2,042,078)	(2,224,892)	(2,550)	(5,981,546)
<b>Segment operating profit (loss)</b>	<b>(1,309,396)</b>	<b>5,079,382</b>	<b>1,495,926</b>	<b>(2,550)</b>	<b>5,263,362</b>
Other Income					188,643
Corporate & administration *					(1,993,950)
<b>Net operating Profit (Loss) after Tax</b>					<b>3,458,055</b>

\* incl. Share based payments of \$1,167,890

**NOTE 13: OPERATING SEGMENTS (CONTINUED)**

Segment reporting	Precast \$	SIMPEC \$	Alltype \$	Distinct \$	Group \$
<b>Year ended 30 June 2021</b>					
Segment assets	-	21,205,885	20,692,917	-	41,898,802
Segment liabilities	-	(14,984,857)	(15,198,227)	-	(30,183,084)
<b>Segment asset &amp; liabilities</b>	-	<b>6,221,028</b>	<b>5,494,690</b>	-	<b>11,715,718</b>
Cash and corporate assets					5,152,526
Corporate liabilities					(1,803,544)
Discontinued Operations (Note 14)					(232,707)
<b>Total asset &amp; liabilities</b>					<b>14,831,993</b>
<b>Year ended 30 June 2020</b>					
Segment assets	419,606	15,533,812	16,604,750	750,781	33,308,949
Segment liabilities	(1,728,978)	(7,963,644)	(13,341,703)	-	(23,034,325)
<b>Segment asset &amp; liabilities</b>	<b>(1,309,372)</b>	<b>7,570,168</b>	<b>3,263,047</b>	<b>750,781</b>	<b>10,274,624</b>
Cash and corporate assets					3,932,292
Corporate liabilities					(922,533)
<b>Total asset &amp; liabilities</b>					<b>13,284,383</b>

**NOTE 14: DISCONTINUED OPERATIONS**

On 18 May 2021 the property asset owned by 24 Prowse Street Pty Ltd was sold with the proceeds used to repay the first registered mortgage. There was nil return to Distinct Developments Pty Ltd, the outcome being included in the FY 2021 financial results, and the Company has ceased operations.

In June 2021 Precast Australia Pty Ltd received acceptance from unsecured creditors to enter into a Deed of Company Arrangement ("DOCA"). The Company has now ceased operations.

It is the Company's clear intention to focus on its two core operating subsidiaries; Alltype Engineering Pty Ltd and SIMPEC Pty Ltd.

**Contribution of entities to Discontinued Operations:**

	<b>2021</b>
	<b>\$</b>
Precast Australia Pty Ltd	748,566
Distinct Developments Pty Ltd	(725,648)
Profit / (loss) from discontinued operations	<b>22,918</b>
<hr/>	
Precast Australia Pty Ltd	(232,536)
Distinct Developments Pty Ltd	(171)
Net assets/(liabilities) from discontinued operations	<b>(232,707)</b>

**NOTE 15: CONTINGENCIES AND COMMITMENTS**

As at 30 June 2021, the Group has given bank guarantees which are held in term deposits of \$3,024,969 (2020: \$60,650) to various customers and suppliers.

**NOTE 16: SUBSEQUENT EVENTS**

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2021.

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