

Site Services Holdings Pty Ltd

ABN 50 619 732 259

Interim Report - 31 December 2020

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Site Services Holdings Pty Ltd
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General information

The financial statements cover Site Services Holdings Pty Ltd ('the Company') as an individual entity. The financial statements are presented in Australian dollars, which is Site Services Holdings Pty Ltd's functional and presentation currency.

Site Services Holdings Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

41-47 Colin Street
West Perth WA 6005

Principal place of business

273 Great Eastern Highway
Belmont WA 6104

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 April 2021.

Site Services Holdings Pty Ltd
Directors' report
31 December 2020

The Directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2020.

Directors

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Daniel Cowley-Cooper
Stefan Finney

Principal activities

During the financial half-year the principal continuing activities of the Company consisted of:

- Administration services

Review of operations

The loss for the Company after providing for income tax amounted to \$645,712 (31 December 2019: \$167,185).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Daniel Cowley-Cooper
Director

3 April 2021
Perth

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**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001**

As lead audit Partner for the review of the financial statements of Site Services Holdings Pty Ltd the half year ended 31 December 2020. I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DEALURENTIS CA
Partner

Dated at Perth this 3rd day of April 2021

Site Services Holdings Pty Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	Unaudited 31 Dec 2019* \$
Revenue	3	838,172	1,321,210
Other income	4	104,000	-
Interest revenue		332	309
Expenses			
Employee benefits expense		(469,849)	(644,313)
Depreciation and amortisation expense		(76,232)	(4,782)
Loss on disposal of assets		-	(1,835)
Direct costs		(2,865)	(173,819)
Management fees		(419,711)	(193,989)
Occupancy		(58,550)	(88,036)
Administration		(491,227)	(359,778)
Finance costs		(23,291)	(22,152)
Loss before income tax expense		(599,221)	(167,185)
Income tax expense		(46,491)	-
Loss after income tax expense for the half-year attributable to the owners of Site Services Holdings Pty Ltd		(645,712)	(167,185)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Site Services Holdings Pty Ltd		<u>(645,712)</u>	<u>(167,185)</u>
		\$	\$
Basic loss per share		(6,457.12)	(1,671.85)
Diluted loss per share		(6,457.12)	(1,671.85)

* The 31 Dec 2019 half year financial statements were not reviewed by Bentleys.

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

Site Services Holdings Pty Ltd
Statement of financial position
As at 31 December 2020

	Note	31 Dec 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		76,254	70,679
Trade and other receivables	5	172,214	658,651
Other	7	221,249	-
Total current assets		<u>469,717</u>	<u>729,330</u>
Non-current assets			
Plant and equipment	8	107,324	65,242
Right-of-use assets	6	177,030	236,039
Intangibles	9	21,826	7,597
Deferred tax		11,265	57,757
Total non-current assets		<u>317,445</u>	<u>366,635</u>
Total assets		<u>787,162</u>	<u>1,095,965</u>
Liabilities			
Current liabilities			
Trade and other payables	10	894,149	523,511
Lease liabilities	11	121,509	115,846
Income tax		42,032	42,032
Provisions	12	71,158	55,241
Total current liabilities		<u>1,128,848</u>	<u>736,630</u>
Non-current liabilities			
Lease liabilities	11	97,987	160,665
Provisions	12	7,369	-
Total non-current liabilities		<u>105,356</u>	<u>160,665</u>
Total liabilities		<u>1,234,204</u>	<u>897,295</u>
Net assets/(liabilities)		<u>(447,042)</u>	<u>198,670</u>
Equity			
Issued capital		100	100
Retained profits/(accumulated losses)		(447,142)	198,570
Total equity/(deficiency)		<u>(447,042)</u>	<u>198,670</u>

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

Site Services Holdings Pty Ltd
Statement of changes in equity
For the half-year ended 31 December 2020

	Issued capital \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 July 2019	100	(82,828)	(82,728)
Loss after income tax expense for the half-year	-	(167,185)	(167,185)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(167,185)	(167,185)
Balance at 31 December 2019 (Unaudited*)	<u>100</u>	<u>(250,013)</u>	<u>(249,913)</u>
	Issued capital \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 July 2020	100	198,570	198,670
Loss after income tax expense for the half-year	-	(645,712)	(645,712)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(645,712)	(645,712)
Balance at 31 December 2020	<u>100</u>	<u>(447,142)</u>	<u>(447,042)</u>

* The 31 Dec 2019 half year financial statements were not reviewed by Bentleys.

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

Site Services Holdings Pty Ltd
Statement of cash flows
For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	Unaudited 31 Dec 2019* \$
Cash flows from operating activities			
Receipts from customers		1,324,609	1,786,599
Payments to suppliers and employees		(1,269,526)	(1,755,904)
		55,083	30,695
Interest received		332	309
Interest and other finance costs paid		(15,344)	(22,152)
Government grants received		104,000	-
Net cash from operating activities		<u>144,071</u>	<u>8,852</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	(58,551)	(220)
Payments for intangibles	9	(14,983)	-
Net cash used in investing activities		<u>(73,534)</u>	<u>(220)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(64,962)	-
Net cash used in financing activities		<u>(64,962)</u>	<u>-</u>
Net increase in cash and cash equivalents		5,575	8,632
Cash and cash equivalents at the beginning of the financial half-year		<u>70,679</u>	<u>69,403</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>76,254</u></u>	<u><u>78,035</u></u>

* The 31 Dec 2019 half year financial statements were not reviewed by Bentleys.

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

Site Services Holdings Pty Ltd
Notes to the financial statements
31 December 2020

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2020.

The 31 December 2019 comparatives have not been reviewed by the auditors Bentleys.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 16 Leases

The Company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Going concern

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by Governments, regulators and industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020 which has seen the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of Government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdowns and uncertainties.

Despite the declaration of a global pandemic, the business has been able to capitalise on the opportunity through obtaining contracts with the Western Australian Government to provide security services for hotel quarantine sites.

For the half-year ended 31 December 2020, COVID-19 has impacted the Company and Site Services Holdings Group ('SSH'), specifically as follows:

Implications on the current period financial performance and cash flows (particularly operating cash flows).

The Company incurred a loss after tax for the half-year of \$645,712 (31 December 2019: loss of \$167,185) and net cash inflows from operating activities of \$144,071 (31 December 2019: inflows of \$8,852) and had a working capital deficit of \$659,131 (30 June 2020: \$7,300)

Site Services Holdings Pty Ltd
Notes to the financial statements
31 December 2020

Note 1. Significant accounting policies (continued)

The Company did not have any capital commitments of as of 31 December 2020.

The Directors have prepared projected cash flow information for the 12 months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19. In response to the uncertainty arising from this, the Directors have considered that the business growth will continue for at least 12 months. After this point in time, it anticipates being able to secure other substantial contracts within the mining sector.

These forecasts indicate that, after taking account into account all reasonably possible downsides, the Company is expected to continue to operate, with headroom and within available cash levels. Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions and shareholder support, in particular:

Mitigating actions undertaken or planned by the Directors and SSH to manage and respond to cash flow uncertainties or potential risks of shortfall in financing and the implementation status and uncertainties that arise from them.

The Directors are satisfied that they will be able to raise additional funds as required and therefore it is appropriate to prepare the financial statements on a going concern basis. The Company, as part of SSH is in advanced discussions regarding a proposed listing on the Australian Securities Exchange via a reverse takeover. The proposed transaction will require compliance with Chapters 1 and 2 of the ASX Listing Rules and completion of a proposed capital raising of approximately \$6.25 million (before costs).

In the event that the Company is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and therefore proceed with realising its assets and discharging its liabilities in the normal course of business at the amounts stated in the financial report. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Company not be able to continue as a going concern.

Revenue is recognised for major business activities base on the following performance obligations:

- The Company received government grants from the Australian Federal Government's JobKeeper payment scheme. There are no unfilled conditions or other contingencies attaching to these grants. Grants related to income are presented as part of profit or loss as a deduction in reporting the related expense.

Note 2. Segment information

The Director's determined that the Company has one reportable segment, being administration services in Australia, consequently the Company does not report segmented operations.

Note 3. Revenue

	31 Dec 2020 \$	Unaudited 31 Dec 2019* \$
<i>Revenue from contracts with customers</i>		
Sales	-	326,539
<i>Other revenue</i>		
Management fees	838,172	994,671
Revenue	<u>838,172</u>	<u>1,321,210</u>

Site Services Holdings Pty Ltd
Notes to the financial statements
31 December 2020

Note 4. Other income

	31 Dec 2020 \$	Unaudited 31 Dec 2019* \$
Subsidies and grants	104,000	-

Note 5. Trade and other receivables

	31 Dec 2020 \$	30 June 2020 \$
<i>Current assets</i>		
Trade receivables	585	15,000
Related parties receivables	171,629	643,651
	<u>172,214</u>	<u>658,651</u>

Note 6. Right-of-use assets

	31 Dec 2020 \$	30 June 2020 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	354,058	354,058
Less: Accumulated depreciation	(177,028)	(118,019)
	<u>177,030</u>	<u>236,039</u>

The Company leases land and buildings for its office under an agreement of 3 years with an option to extend.

* The 31 Dec 2019 half year financial statements were not reviewed by Bentleys.

Reconciliations

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

	\$
Balance at 1 July 2020	236,039
Depreciation expense	(59,009)
Balance at 31 December 2020	<u>177,030</u>

Site Services Holdings Pty Ltd
Notes to the financial statements
31 December 2020

Note 7. Other

	31 Dec 2020	30 June 2020
	\$	\$
<i>Current assets</i>		
Prepayments	220,649	-
Security deposits	600	-
	<u>221,249</u>	<u>-</u>

Note 8. Plant and equipment

	31 Dec 2020	30 June 2020
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	264,426	205,874
Less: Accumulated depreciation	<u>(157,102)</u>	<u>(140,632)</u>
	<u>107,324</u>	<u>65,242</u>

Reconciliations

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

	\$
Balance at 1 July 2020	65,242
Additions	58,551
Depreciation expense	<u>(16,469)</u>
Balance at 31 December 2020	<u>107,324</u>

Note 9. Intangibles

	31 Dec 2020	30 June 2020
	\$	\$
<i>Non-current assets</i>		
Website - at cost	25,802	10,819
Less: Accumulated amortisation	<u>(3,976)</u>	<u>(3,222)</u>
	<u>21,826</u>	<u>7,597</u>

Reconciliations

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

	Website	Total
	\$	\$
Balance at 1 July 2020	7,597	7,597
Additions	14,983	14,983
Amortisation expense	<u>(754)</u>	<u>(754)</u>
Balance at 31 December 2020	<u>21,826</u>	<u>21,826</u>

Site Services Holdings Pty Ltd
Notes to the financial statements
31 December 2020

Note 10. Trade and other payables

	31 Dec 2020 \$	30 June 2020 \$
<i>Current liabilities</i>		
Trade payables	189,584	70,936
Related parties' payable	40,762	33,517
GST and PAYG payable	264,546	247,963
Other payables	399,257	171,095
	<u>894,149</u>	<u>523,511</u>

Note 11. Lease liabilities

	31 Dec 2020 \$	30 June 2020 \$
<i>Current liabilities</i>		
Lease liability	<u>121,509</u>	<u>115,846</u>
<i>Non-current liabilities</i>		
Lease liability	<u>97,987</u>	<u>160,665</u>
	<u>219,496</u>	<u>276,511</u>

Note 12. Provisions

	31 Dec 2020 \$	30 June 2020 \$
<i>Current liabilities</i>		
Annual leave	<u>71,158</u>	<u>55,241</u>
<i>Non-current liabilities</i>		
Long service leave	<u>7,369</u>	<u>-</u>
	<u>78,527</u>	<u>55,241</u>

Note 13. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 14. Events after the reporting period

SSH Group Limited ('SSH') formerly known as Jacka Resources Limited ('Jacka') has executed a binding terms sheet agreement to acquire 100% of the entities which constitute the businesses known as Site Services Holdings Group ('SSH') which includes Site Services Holdings Pty Ltd, Complete Workforce Australia Pty Ltd and Site Services Holdings Trust. Completion of the acquisition of SSH will occur upon the Initial Public Offer ('IPO') of Jacka on the ASX including a capital raising of \$6.25 million.

Site Services Holdings Pty Ltd
Directors' declaration
31 December 2020

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors


Daniel Cowley-Cooper
Director

3 April 2021
Perth

Bentleys Audit & Corporate
(WA) Pty Ltd

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

Independent Auditor's Review Report

To the Members of Site Services Holdings Pty Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Site Services Holdings Pty Ltd ("the Company") which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the Site Services Holdings Pty Ltd financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Independent Auditor's Review Report

To the Members of Site Services Holdings Pty Ltd (Continued)



Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss after tax of \$645,712 during the half year ended 31 December 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 3rd day of April 2021

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