Tamawood Limited

ABN 56 010 954 499

Annual Report

For the Year Ended 30 June 2023

ABN 56 010 954 499
ASX Code: TWD

Contents
For the Year Ended 30 June 2023

Chairman's Letter

The Group has recorded an after-tax FY23 result of $2.113 million (FY22 $2.887 million) which is 26.7% lower than FY22. While this result is lower than we would like, it is an exceptional result given the market conditions that the management team and our staff were working with over the twelve months to June 2023. These conditions included the hangover from COVID 19, extreme wet weather for a considerable part of the year, supply chain issues caused by world- wide events and in particular the problems caused by the Government grant, which created massive demand for housing in an already buoyant market. The result of these issues has been a huge shortfall in labour, material supplies and unprecedented price increases across the building industry.

Our lower than expected result should be seen against what has happened in the rest of the market where price increases have had a major detrimental effect with many of our competitors not reacting quickly enough and now reporting losses of between $30 million and $100's of million and in some cases paying the ultimate price of bankruptcy. We had the foresight to be proactive, our Project DeRisk (integrated enterprise project management software system) allowed us to introduce price increases to ensure we maintained some margins as prices continued to rise. Obviously, our ability to correctly price work resulted in substantial loss of market share.

The Board will look at an unfranked dividend to be decided at the September board meeting.

Future Outlook

The outlook for the industry as a whole over the next twelve months would seem to be fairly subdued with a fall off in sales evident due to interest rate hikes and increased prices. There does seem to be a change in client behaviour and as a result of these issues, we are seeing an increase in sales in market segments where we predominantly operate and an extensive drop in sales in green field developments. This has benefitted us with an increase in our sales over the last six months, to a level we are very comfortable with. I expect this trend to continue for the foreseeable future. This together with the strategies implemented over the past eighteen months in particular, the purchase of AstiVita and the upgrading of our I.T. systems give us great belief in our ability to increase market share and improve on the results from FY23.

This outlook is subject to no adverse weather conditions and more importantly the RBA's ability to avoid a recession. Further, constraints may occur from lack of land deliveries by major developers. Also, our experience is that one or more insolvencies by one of the major residential builders normally has a negative impact on the entire industry.

Thank you to subcontractors, suppliers and staff for their hard work in such a challenging landscape. In particular we acknowledge our suppliers and subcontractors who continue to work at agreed rates despite higher offers from other builders and help us absorb some of these costs.

RLynch.

Mr Robert Lynch
Non-Executive Chairman

Dated: 22 August 2023

Directors' Report
For the Year Ended 30 June 2023

The Directors present their report, together with the financial statements of the Group, being Tamawood Limited (the Company) and its controlled entities, for the financial year ended 30 June 2023.

Directors

The names of the directors in office at any time during, or since the end of the year are:

Names	Position
Mr Robert Lynch	Non-executive Chairman
Mr Lev Mizikovsky	Non-executive Director
Mrs Linda Barr	Non-executive Director / Chairperson of the Audit Committee
Mr Timothy Bartholomaeus	Managing Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretaries

The following persons held the position of Joint Company Secretary at the end of the financial year:

- Mr Geoff Acton (B.Com, CA, GAICD)
- Miss Narelle Lynch ("Cert Gov Prac")

Principal activities

The principal activities of the Group during the financial year were:

- Contract home construction, home design and other associated activities in Australia.
- Franchising and licensing operations
- Consumer durables

There were no significant changes in the nature of the Group's principal activities during the financial year.

Review of operations for the year

Highlights

Refer to Chairman’s Letter on page 1 of this report

Review of financial position

The net assets of the Group have decreased by $812,000 from $33.029 million at 30 June 2022 to $32.217 million at 30 June 2023.

Directors' Report

For the Year Ended 30 June 2023

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Dividends paid

Final unfranked ordinary dividend totalling $4,516,889 ($0.13 per share) paid on 9 December 2022.

Events after the reporting date

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future developments and results

The Group will continue to focus on improvements to its automated construction administration processes and operational efficiencies whilst looking to expand and develop its constructions and franchise operations in New South Wales, Victoria and South Australia.

Environmental issues

There are various local council requirements that the Group must adhere to during the construction process. The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Summary of key business risks

Our Risk Management Committee is fully cognoscente cognisant of the current state of the Building Industry. Over 100 years of combined industry experience has allowed us to establish an appropriate Risk Management framework. Key risks are, but not limited to:

- Supply chain / potential supply chain disruptions, in particular the unknown effect of new Industrial Relations policies. This is being addressed by further increases in products purchased through our AstiVita subsidiary and moving away from the US Dollar.

FY24 Economic conditions

The Board came to the view that further interest rate increases are likely due to the need to support the value of the Australian Dollar and avoid consequent inflation. Growth in minimum wages and further restrictions imposed on electricity generators are increasing the chances of stagflation.

On a positive note supply and demand are likely to be in equilibrium as more Builders are leaving the industry due to financial and regulatory stress, and there is every indication that the current Government is looking to stimulate the Industry again. The number of contracts on hand also ensures a reasonable volume of work for 1HFY24.

Further improvement in sales may also result from the fact that our designs more or less comply with the National Construction Code changes coming into force on the 1st of October 2023 where many of our competitors appear to be less than prepared.

Directors' Report
For the Year Ended 30 June 2023

Information on directors

Mr Robert Lynch - Non-executive Chairman
LREA, Justice of the Peace

As Chairman of Tamawood Limited, Robert has had more than 30 years' experience in residential housing construction and land development. Robert was CEO of Mirvac Homes for 17 years and Clarendon Homes for two years.

Robert is a past President of the New South Wales Housing Industry Association.

Robert has been a Non-executive Director of the Tamawood Group since 2008 and Chairman of the Group since November 2011. He is currently the Chairman of the Group's Risk Management Committee and is a member of the Nominations, Remuneration and Audit Committees.

Mr Lev Mizikovsky - Non-executive Director
FAICD

Lev Mizikovsky started Tamawood in July 1989. The Company was listed on the ASX in August 2000 and in December 2000 acquired Dixon Homes. Since 1997, Lev has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland Companies including Lindsay Australia Limited (LAU). Lev is a Non-executive Chairman of Advance ZincTek Limited (ANO) since 3 March 2017, Chairman of Senterprisys Limited (formerly Resiweb Ltd).

He is currently a member of the Audit and Risk Management Committees.

Mrs Linda Barr - Non-executive Director and Chairperson of the Audit Committee
B.Bus, MIS, CPA, GAICD

Mrs Linda Barr brings to Tamawood over 30 years in accounting and management roles. Growth and expansion focused director with executive experience in finance and ICT gained in Manufacturing, Engineering, Hospitality and Wholesale Distribution industries. Linda is a Non-executive Director of Advance ZincTek Limited (ANO) since 23 September 2022.

Linda gained valuable skills in senior finance and executive roles reporting to an ASX 100 listed Company Board, where she focused on delivering strategic integration of acquisitions, identifying synergies, and creating value added services for Finance and ICT to support business operations. An accomplished leader of cultural change, business innovation and transformation. Determined to seek and create business value by acquisition, digital transformation, operational excellence, and financial acumen.

Linda is the Chairperson of the Audit Committee a member of the Nomination, Remuneration and Risk Management Committees.

Mr Timothy Bartholomaeus - Managing Director
GAICD

Timothy has been with the group since 1996 commencing as a Building Designer. Since 2001 he held a number of management positions including Design and Estimating Manager, Construction Manager, Administration Manager, Premium Brands Manager and Sales & Marketing Manager.

Timothy was Chief Operating Officer from 2010 until his appointment as Managing Director and is a Director of the Group's Dixon Homes NSW operations.

Timothy has regularly attended Board Meetings since 2010 and has significantly contributed to the Board's ability to navigate through a difficult period in the aftermath of the Global Financial Crisis.

Timothy is not and has not been a director of any other publicly listed company in the past 5 years.

Details of each director's relevant interest in shares of the company can be found at page11 of this report.

Directors' Report
For the Year Ended 30 June 2023

Information on company secretaries

Mr Geoff Acton
B.Com, CA, GAICD

Geoff is a chartered accountant and has more than 20 years history with Tamawood in various capacities including Director, Chief Financial Officer, Company Secretary and head of Tamawood’s Renewable Energy Certificates trading business, which Geoff established in 2004.

Miss Narelle Lynch
"Cert (Gov Prac)"

Narelle was appointed joint company secretary on 24 May 2013. She is also joint company secretary of Advance ZincTek Limited and SenterpriSys Limited.

Meetings of directors

The number of meetings of directors (including committees of directors) held during the financial year and the number of meetings attended by each director were as follows:

	Directors' Meetings		Audit Committee Meetings		Risk Committee Meetings		Remuneration & Nomination Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Robert Lynch	11	11	3	3	1	1	2	2
Mr Lev Mizikovsky	11	11	3	2	1	1	2	2
Mrs Linda Barr	11	11	3	3	1	1	2	2
Mr Timothy Bartholomaeus	11	11	3	3	1	1	-	2*

* Attended by invitation

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and insurance of officers

The Directors, Secretaries and Officers of the Group and its controlled entities are insured for liabilities that include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

Directors' Report
For the Year Ended 30 June 2023

Non-audit services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

The total fees to the Group's external auditors, William Buck (Qld), for non-audit services during the year ended 30 June 2023 was nil (2022: Nil).

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2023 has been received and can be found on page 12 of the financial report.

ASIC Corporations Instrument 2016/191 rounding of amounts

The Group is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

Directors' Report
For the Year Ended 30 June 2023

Remuneration report (audited)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the key management personnel of the Group, including the Directors, in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

Remuneration policy

The performance of Tamawood Limited depends upon the quality of its key management personnel. To prosper, the Group must attract, motivate and retain highly skilled Directors and other key management personnel.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre key management personnel
- Link executive rewards to shareholder value

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

Structure

The Constitution and the ASX Business Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 30 November 2012 when shareholders approved an aggregate remuneration of $300,000 per annum (inclusive of superannuation guarantee contributions).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. Each Non-executive Director receives a fee for being a Director of the Group.

Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fee is determined independently to the fees of Non-executive Directors and based on comparable roles in the market. The Chairman is not present at any discussion relating to determination of his own remuneration.

The remuneration of Non-executive Directors for the period ended 30 June 2023 is detailed in the table at page 9 to this report.

Directors' Report
For the Year Ended 30 June 2023

Remuneration report (audited)

Remuneration policy

Other Key Management Personnel

Objective

The Group aims to reward other key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Align the interests of other key management personnel with those of shareholders
- Link rewards with the strategic goals and performance of the Group
- Ensure total remuneration is competitive by market standards

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Other remuneration such as superannuation
- Discretionary bonus

Relationship between remuneration policy and company performance

The Remuneration Committee is cognisant of the link between Directors', and other key management personnel remuneration to the achievement of strategic goals and performance of the Group. In setting the remuneration policy the Group seeks to align key management personnel rewards with overall shareholder value creation.

The Board reviews senior management remuneration on a regular basis to ensure base remuneration and any performance payments are directly linked to the achievement of profit contribution targets.

The following table shows the gross revenue, net profits and dividends for the last five years for the Group, as well as the share prices at the end of the respective financial years. The Group has maintained a consistent dividend policy during the past five years.

	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
Revenue	102,869	91,947	97,864	89,167	76,939
Net profit attributable to members of the parent entity	3,970	4,477	6,455	2,887	2,113
Dividends paid	12,556	-	6,980	6,958	4,517
Dividends per share (cents)	49.0¢	-	25.0¢	24.0¢	13.0¢
Share price at year-end (not rounded)	$3.61	$2.52	$3.54	$2.75	$2.15
Weighted average no. of shares on issue at year end	26,019	27,612	28,313	29,680	35,117

Directors' Report
For the Year Ended 30 June 2023

Remuneration report (audited)

The following table of benefits and payments details, in respect to the 2023 and 2022 financial years, the components of remuneration for each member of the key management personnel (KMP) of the Group.

2023	**Short-term benefits**			**Equity-settled share-based payments**	**Post employment**	**Long-term benefits**		
	Cash salary, fees & leave $	**Bonus $**	**Non-monetary $**	**Shares $**	**Superannuation $**	**LSL $**	**Termination Benefits $**	**TOTAL $**
Non-executive directors								
- R Lynch	130,000	-	-	-	-	-	-	130,000
- L Mizikovsky	-	-	-	-	-	-	-	-
- L Barr	60,500	-	-	-	-	-	-	60,500
Sub-total Non-executive Directors	**190,500**	**-**	**-**	**-**	**-**	**-**	**-**	**190,500**
Executive directors								
- T Bartholomaeus (Managing Director)	230,445	-	21,225	-	24,643	4,245	-	280,558
Sub-total executive directors	**230,445**	**-**	**21,225**	**-**	**24,643**	**4,245**	**-**	**280,558**
Other KMP			-					
- K Waldron (Sales Manager)	172,178	12,800	14,975	-	18,029	2,461	-	220,443
- Jacqueline Rodger (Office Manager)	133,120	-	-	-	11,688	-	-	144,808
Sub-total Other KMP	**305,298**	**12,800**	**14,975**	**-**	**29,717**	**2,461**	**-**	**365,251**
TOTAL	**726,243**	**12,800**	**36,200**	**-**	**54,360**	**6,706**	**-**	**836,309**

2022	**Short-term benefits**			**Equity-settled share-based payments**	**Post employment**	**Long-term benefits**		
	Cash salary, fees & leave $	**Bonus $**	**Non-monetary $**	**Shares $**	**Superannuation $**	**LSL $**	**Termination benefits $**	**TOTAL $**
Non-executive directors								
- R Lynch (Chairman)	130,000	-	-	-	-	-	-	130,000
- L Mizikovsky	-	-	-	-	-	-	-	-
- L Barr (Appointed 12/05/22)	9,167	-	-	-		-	-	9,167
- L Lefcourt (Resigned 16/02/22)	39,167	-	-	-		-	-	39,167
- L Horgan (Resigned 16/02/22)	40,875	-	-	-	-	-	-	40,875
Sub-total Non-executive Directors	**219,209**	-		**-**	**-**	**-**	**-**	**219,209**
Executive directors								
- T Bartholomaeus (Managing Director)	214,857	80,000	38,375	-	29,486	5,609	-	368,327
Sub-total Executive Directors	**214,857**	**80,000**	**38,375**	**-**	**29,486**	**5,609**	**-**	**368,327**
Other KMP								
- K Waldron (Sales Manager)	143,389	20,250	-	-	15,502	2,043	-	181,184
- Jacqueline Rodger (Office Manager)	113,390	-	-	-	10,590	1,783	-	125,763
Sub-total Other KMP	**256,779**	**20,250**	**-**	**-**	**26,092**	**3,826**	**-**	**306,947**
TOTAL	**690,845**	**100,250**	**38,375**	**-**	**55,578**	**9,435**	**-**	**894,843**

Directors' Report
For the Year Ended 30 June 2023

Remuneration report (audited)

Cash performance-related bonuses

None of the key management personnel remuneration paid is performance based, with the exception of personnel detailed below.

The terms and conditions relating to bonuses granted as remuneration during the year to key management personnel during the year are as follows:

Bonuses paid and other short-term payments	Amount paid $	Proportion of total remuneration related to performance	Proportion of remuneration not related to performance
KMP			
K Waldron (Sales Manager)	12,800	5.81%	94.19%

Cash bonuses which were granted to key management personnel were awarded at the discretion of the Remuneration Committee during the financial year ended 30 June 2023. The bonuses therefore vested 100% during the financial year.

Service Agreements

It is the Group's policy that service contracts and employment contracts for key management personnel are open-ended, but are capable of termination on two weeks' notice. The Group retains the right to terminate the contract immediately by making payment equal to one month's remuneration in lieu of notice.

On termination, Directors and other key management personnel are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable.

Unless otherwise stated, service agreements and employment contracts do not provide for predetermined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy outlined above. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

Please refer to Related parties note 31 for payment of services received by key management personnel.

Directors' Report
For the Year Ended 30 June 2023

Remuneration report (audited)

KMP Shareholdings

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
	No.	No.	No.	No.	No.
L Mizikovsky	19,794,166	-	-	573,893	20,368,059
R Lynch	545,354	-	-	24,089	569,443
L Barr	-	-	-	4,000	4,000
T Bartholomaeus	541,365	-	-	-	541,365
	20,880,885	**-**	**-**	**601,982**	**21,482,867**

Other Transactions with KMP and their Related Parties

The terms and conditions, together with the amount of any transaction during the reporting period between the Group, or any of its subsidiaries, and a key management person and their related parties, are disclosed in Note 31 to the financial statements.

End of Remuneration Report

This Directors' report, incorporating the Remuneration report, is signed in accordance with a resolution of the Board of Directors.

RLynch.

Mr Robert Lynch
Non-Executive Chairman

Dated: 22 August 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF TAMAWOOD LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 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 Tamawood Limited and the entities it controlled during the period.

William Buck

William Buck (Qld)
ABN 21 559 713 106

J A Latif
Director

Brisbane 22 August 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 000's	2022 000's
Revenue	3	**76,939**	89,167
Other income	3	**531**	269
Cost of sales		**(63,481)**	(71,274)
Accrued expenses adjustment (Unbilled)		**1,960**	(809)
Employee benefits expense		**(6,864)**	(7,627)
Depreciation and amortisation expenses	4	**(1,120)**	(1,222)
Advertising		**(279)**	(395)
Consultancy		**(746)**	(605)
Legal fees		**(20)**	-
Rent Expenses		**(96)**	(159)
Lease Interest		**(213)**	(214)
Warranty costs		**(114)**	-
Inventory written off / back		**(379)**	-
Other operating expenses		**(3,098)**	(3,180)
Profit before income tax		**3,020**	3,951
Income tax expense	6	**(907)**	(1,064)
Profit for the year		**2,113**	2,887
Other comprehensive income			
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**2,113**	2,887
Profit attributable to:			
Members of the parent entity		**2,113**	2,887
Total comprehensive income attributable to:			
Members of the parent entity		**2,113**	2,887
Earnings per share			
Basic earnings per share	35	6.01 cents	9.73 cents
Diluted earnings per share	35	6.01 cents	9.73 cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As At 30 June 2023

	Note	2023 000's	2022 000's
ASSETS			
Current Assets			
Cash and cash equivalents	8	**5,231**	5,244
Trade and other receivables	9	**6,806**	6,978
Uninvoiced completed works	10	**16,463**	17,677
Inventories - STC (Renewable energy certificates)	11	**13**	84
Inventory - Appliances and Solar & Hot Water products	12	**2,839**	2,525
Other inventories	13	**2**	138
Prepayment and other deposits	14	**398**	753
Current tax assets	22	**36**	934
Total Current Assets		**31,788**	34,333
Non-Current Assets			
Investment in associates	26	**430**	430
Property, plant and equipment	15	**528**	626
Intangible assets	16	**5,543**	5,051
Right of use assets	17	**3,274**	4,672
Deferred tax assets	22	**5,110**	5,581
Total Non-Current Assets		**14,885**	16,360
TOTAL ASSETS		**46,673**	50,693
LIABILITIES			
Current Liabilities			
Trade and other payables	18	**2,691**	1,968
Accrued expenses (Unbilled)	19	**2,252**	4,212
Provisions	21	**567**	788
Lease liabilities - Current	20	**841**	844
Total Current Liabilities		**6,351**	7,812
Non-Current Liabilities			
Lease liabilities - Non-current	20	**2,789**	4,155
Provisions	21	**400**	335
Deferred tax liabilities	22	**4,916**	5,362
Total Non-Current Liabilities		**8,105**	9,852
TOTAL LIABILITIES		**14,456**	17,664
NET ASSETS		**32,217**	33,029

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As At 30 June 2023

	Note	2023 000's $	2022 000's $
EQUITY			
Issued capital	23	**30,528**	28,936
Reserves	24	**(479)**	(479)
Retained earnings		**2,020**	4,424
Total equity attributable to equity holders of Tamawood Limited		**32,069**	32,881
Non-controlling interest		**148**	148
TOTAL EQUITY		**32,217**	33,029

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Note	Ordinary Shares 000's	Retained Earnings 000's	General Reserves 000's	Total 000's	Non-controlling Interests 000's	Total 000's
Balance at 1 July 2022		**28,936**	**4,424**	**(479)**	**32,881**	**148**	**33,029**
Comprehensive income for the year							
Profit for the year		**-**	**2,113**	**-**	**2,113**	**-**	**2,113**
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		**-**	**2,113**	**-**	**2,113**	**-**	**2,113**
Transactions with owners in their capacity as owner							
Shares issued during the year	23	**1,592**	**-**	**-**	**1,592**	**-**	**1,592**
Dividends paid	7	**-**	**(4,517)**	**-**	**(4,517)**	**-**	**(4,517)**
Balance at 30 June 2023		**30,528**	**2,020**	**(479)**	**32,069**	**148**	**32,217**

2022

	Note	Ordinary Shares 000's	Retained Earnings 000's	General Reserves 000's	Total 000's	Non-controlling Interests 000's	Total 000's
Balance at 1 July 2021		11,426	8,495	(479)	19,442	148	19,590
Comprehensive income for the year							
Profit for the year		-	2,887	-	2,887	-	2,887
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	2,887	-	2,887	-	2,887
Transactions with owners in their capacity as owner							
Shares issued during the year	23	3,170	-	-	3,170	-	3,170
Dividends paid	7	-	(6,958)	-	(6,958)	-	(6,958)
Pursuant of the acquisition of AstiVita Ltd.		14,340	-	-	14,340	-	14,340
Balance at 30 June 2022		28,936	4,424	(479)	32,881	148	33,029

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023 000's	2022 000's
Cash flows from operating activities			
Receipts from customers (including GST)		**85,732**	101,245
Payments to suppliers and employees (including GST)		**(81,511)**	(93,814)
Interest received		**82**	7
Lease interest paid		**(213)**	(214)
Income taxes paid		**(130)**	(910)
Net cash from operating activities	29	**3,960**	6,314
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**15**	50
Payments for property, plant and equipment		**(67)**	(52)
Cash acquired in business combination		**-**	31
Net cash used in investing activities		**(52)**	29
Cash flows from financing activities			
Repayment of lease liabilities		**(941)**	(1,004)
Dividend paid by parent entity		**(2,980)**	(3,903)
Net cash used in financing activities		**(3,921)**	(4,907)
Net (decrease) increase in cash and cash equivalents		**(13)**	1,436
Cash and cash equivalents at beginning of year		**5,244**	3,808
Cash and cash equivalents at end of financial year	8	**5,231**	5,244

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

This financial report covers the consolidated financial statements and notes of Tamawood Limited and Controlled Entities (the 'Group'). Tamawood Limited is a for profit Company incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange Limited.

The financial statements were authorised for issue by the Board of Directors on 22 August 2023.

The separate financial statements and notes of the parent entity, Tamawood Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Parent entity summary is included in note 2.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

These financial statements are presented in Australian dollars ($), which is the presentation currency and functional currency.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Rounding of amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 rounding of amounts applies and accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

(b) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Non-controlling interests

Non-controlling interests (i.e. equity in a subsidiary not attributable directly or indirectly to a parent) are presented in the consolidated statement of financial position within equity separately from the equity of the owners of the parent.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(b) Principles of Consolidation

Non-controlling interests

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Tamawood Limited.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

A list of subsidiaries is contained in Note 25 to the financial statements.

Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. Dividends received or receivable from associates 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.

A list of associates is contained in Note 26 to the financial statements.

(c) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(c) Income Tax

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Tax consolidated group

Tamawood Limited is the head entity for the income tax consolidated group. Each entity in the Group recognises its own current and deferred tax amounts which are measured using the "separate taxpayer within group" taxpayer approach for allocation. Current and deferred tax assets resulting from unused tax losses and tax credits are assumed by the parent entity. The current tax liability of each Group entity is also assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has entered into tax sharing and funding arrangement.

Under the terms of the arrangement, the wholly-owned entities reimburse Tamawood Limited for any current income tax payable by Tamawood Limited arising in respect of their activities. The reimbursements are payable on the date advised by Tamawood Limited after the end of the relevant financial year. In the opinion of the Directors, the tax sharing agreement is also a valid arrangement under the tax consolidation legislation and limits the joint and several liabilities of the wholly-owned entities in the case of a default by Tamawood Limited.

(d) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening consolidated statement of financial position at the earliest date of the comparative period has been presented.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and are net of any rebates and discounts received. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the taxing authorities), transport, and other costs directly attributable to the acquisition of inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(i) STC (Renewable Energy Certificates)

Tamawood enters into renewable energy certificate contracts with both buyers and sellers. The renewable energy certificates are valued at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and are net of any rebates and discounts received.

(ii) Uninvoiced completed works

These assets are recognised when Tamawood has transferred goods and services to the customer but where it is yet to establish an unconditional right to consideration.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment comprising motor vehicles, office furniture and equipment, computer software and leasehold improvements are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a diminishing value method from the date that management determine that the asset is available for use.

Leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	4 - 8 years
Office Furniture and Equipment	2 - 10 years
Computer Software	5 years
Leasehold improvements	15 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are assigned to different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method, less any allowance for expected credits losses. Trade receivables are generally due for settlement within 30 days.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the consolidated statement of profit or loss and other comprehensive income line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Provisions for warranties

The cost of rectification work undertaken during construction is charged as an expense in the year in which it is incurred. A provision is recognised for warranty in respect of houses constructed and products sold which are still under the statutory warranty period as at balance date. The provision for warranty has been based upon total sales for the past year and the history of claims made to date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation.

(k) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(l) Share capital

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

(m) Right of use assets

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

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

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

(n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(o) Revenue and other income

Revenue is recognised when it is highly probable that a significant reversal will not occur.

Construction Contracts

Contracts entered into are for the construction of residential homes. The construction of each home is taken to be one performance obligation. The transaction price is normally fixed at the start of the contract. When a variation for the building works is required and agreed upon per the contract the variation will be included in the transaction price and accounted for accordingly. As a result, the one performance obligation recognised and fulfilled over time and as such revenue is recognised over time.

Revenue earned is referenced to the stage of completion of contract activity, base on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Customers are invoiced on achievement of key task milestones in the construction program. Invoices are paid on normal commercial terms.

Renewable energy certificates

Revenue from the sale of renewable energy certificates is recognised at the point of delivery or when renewable energy certificates have been approved and are available to meet contract obligations as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those certificates.

Franchise revenue

Franchise revenue is recognised once a franchisee has issued progress claims for the framing stage with their customer, and the franchisee charge is a percentage of the total contract. There are additional monthly charges for hardware maintenance, advertising and any other associated costs which can be charged per contracted agreements.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

(p) 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(q) Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(r) Business combinations

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

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

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

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

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(s) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - construction work in progress

The Group uses the stage-of-completion based on the input method in accounting for its fixed-price contracts to deliver construction services as discussed in Note 1(o). Use of the stage-of-completion method requires the Group to estimate the work performed to date as a proportion of the total estimated cost of construction to be performed. The key management personnel regularly review actual costs against contracted budgeted costs at each milestone of the construction cycle.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

As discussed in Note 1(j), in determining the level of provisions required for warranties for construction of homes and products sold, the Group has made judgements in respect of the number of customers who will actually use the maintenance warranty and how often and the costs of fulfilling the performance of the maintenance warranty. Historical experience and current knowledge of the performance of products has been used in determining this provision. The related carrying amounts are disclosed in Note 21. The Group assesses provisions at each reporting date by evaluating conditions specific to the Group that may lead to a provision being raised. Where a future obligation for costs is to be incurred a provision is recognised.

Key estimates - lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(s) Critical accounting estimates and judgments

Key estimates - incremental borrowing rate

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

Key estimates - Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 16 for further information.

Key estimates - Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

(t) New Accounting Standards Adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These did not have a material impact on the Group

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

Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Parent entity

The following information has been extracted from the books and records of the parent, Tamawood Limited, and has been prepared in accordance with Australian Accounting Standards.

The financial information for the parent entity, Tamawood Limited, has been prepared on the same basis as the consolidated financial statements except as disclosed below.

	2023 000's	2022 000's
Statement of Financial Position		
Assets		
Current assets	**1,582**	2,425
Non-current assets	**20,812**	20,844
Total Assets	**22,394**	23,269
Liabilities		
Current liabilities	**379**	103
Non-current liabilities	**4,916**	5,357
Total Liabilities	**5,295**	5,460
Equity		
Issued capital	**30,528**	28,936
Retained earnings	**(13,429)**	(11,127)
Total Equity	**17,099**	17,809
Statement of Profit or Loss and Other Comprehensive Income		
Profit for the year	**1,900**	1,920
Total comprehensive income	**1,900**	1,920

Guarantees: The parent entity did not have any guarantees as at 30 June 2023 (2022: nil).

Contingent liabilities: The parent entity did not have any contingent liabilities as at 30 June 2023 (2022: nil).

Contractual commitments: The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2023 (2022: nil).

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Revenue and Other Income

	Note	2023 000's	2022 000's
Sales revenue			
- Construction contract revenue		**72,333**	89,134
- Uninvoiced completed works adjustment		**(1,285)**	(2,894)
- Renewable energy certificates		**2,165**	1,451
- Franchise revenue		**680**	895
- Bathroom products and Kitchen appliances		**938**	42
- Solarpower products and REC's income		**1,633**	82
Other revenue			
- Interest revenue		**82**	7
- Rental income		**393**	450
Total Revenue		**76,939**	89,167

Other Income			
Other		**531**	201
Net gain/(loss) on disposal of property, plant, equipment and associates		**-**	68
Total other income		**531**	269

Construction contract revenue includes $71.0m (2022: $86.2m) of revenue recognised for residential construction which are accounted for over time using the input method. All other revenue is recognised at a point in time.

4 Depreciation Expense

Component of depreciation expenses

	Note	2023 000's	2022 000's
Right of use assets		**970**	1,016
Property, plant and equipment	15	**150**	206
		1,120	1,222

5 Remuneration of Auditors

	2023 $	2022 $
Remuneration of the auditor of the parent entity, William Buck (QLD) including related entities for:		
- auditing or reviewing the financial statements	**91,500**	73,000
- auditing or reviewing the acquisition of AstiVita	**-**	30,000
	91,500	103,000

Notes to the Financial Statements

For the Year Ended 30 June 2023

6 Income Tax Expense

(a) Components of tax expense

	2023 000's	2022 000's
Current tax expense		
Current income tax	**1,027**	1,490
Deferred tax expense		
Relating to origination and reversal of temporary differences	**26**	(385)
Relating to the AstiVita Ltd joining the Tamawood Group	**-**	(41)
Adjustments recognised for deferred tax of prior periods	**(146)**	-
	907	1,064

(b) **Reconciliation of income tax to accounting profit**

	2023	2022
Profit before income tax from continuing operations	**3,020**	3,951
Prima facie income tax expense at the statutory income tax rate of 30% (2022: 30%)	**906**	1,185
The following items have affected income tax expense for the period:		
Add / (less) the tax effect of:		
- permanent differences	**21**	(121)
- other items	**(20)**	-
	907	1,064
The applicable tax rate for 2023	**30%**	30%

Notes to the Financial Statements
For the Year Ended 30 June 2023

7 Dividends

Dividends paid

	2023 000's	2022 000's
The following dividends were declared and paid:		
Final unfranked ordinary dividend of 13 cents per share, paid on 09 December 2022	**4,517**	-
Final ordinary dividend of 13 cents per share, paid on 06 September 2021	**-**	3,747
Interim ordinary dividend of 11 cents per share, paid on 11 March 2022	**-**	3,211
Total	**4,517**	6,958

Total dividends per share

	2023 Cents	2022 Cents
Total dividends per share declared and paid	**13**	24

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Franking account

	2023 000's	2022 000's
Balance of franking account at year end	**140**	15
Adjusted for franking credits arising from:		
Payment of provision for income tax	**(36)**	(934)
The franking credits available for subsequent financial years at a tax rate of 30%	**104**	(919)

The above available balance is based on the dividend franking account at year-end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The current franking credit balance as at 2023 is $103,918.

Notes to the Financial Statements
For the Year Ended 30 June 2023

8 Cash and cash equivalents

	2023 000's	2022 000's
Cash at bank	**4,811**	4,819
Short-term bank deposits	**357**	357
Other cash and cash equivalents	**63**	68
	5,231	5,244

Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	2023 000's	2022 000's
Cash and cash equivalents	**5,231**	5,244
Balance as per consolidated statement of cash flows	**5,231**	5,244

9 Trade and other receivables

	Note	2023 000's	2022 000's
CURRENT			
Trade receivables		**1,660**	1,647
Construction contract progress bills receivable		**5,225**	5,370
Trade and other receivables (impairments)	9(a)	**(39)**	(39)
Other receivables		**(40)**	-
Total current trade and other receivables		**6,806**	6,978

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2023	2022
Balance at beginning of the year	**39**	30
Add additional provision recognised	**-**	9
Balance at end of the year	**39**	39

(b) Aged analysis

The ageing analysis of trade receivables and construction contract progress bills receivable is as follows:

	2023	2022
0-30 days	**3,759**	4,267
31-60 days	**577**	1,053
61-90 days (past due not impaired)	**511**	710
91+ days (past due not impaired)	**2,038**	987
	6,885	7,017

Notes to the Financial Statements
For the Year Ended 30 June 2023

9 Trade and other receivables

(b) Aged analysis

The amounts past due date but not impaired are those customers with good credit history and are therefore not impaired.

Since 30 June 2023 over $400,000 has already been received.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. Refer to Note 32(a) for further details of credit risk management.

10 Uninvoiced Completed Works

	Note	2023 000's	2022 000's
CURRENT			
At cost:			
Inventories - Uninvoiced completed works	10(a)	**16,966**	18,110
Less Provision for deleted jobs		**(503)**	(433)
		16,463	17,677

Write downs of inventories to net realisable value during the year were nil (2022: nil).

(a) Construction Contracts

As per the Group's accounting policy detailed at Note 1(o), construction work in progress consists of construction costs incurred and recognised profits, less recognised losses and progress claims invoiced.

	2023 000's	2022 000's
Contract costs incurred plus recognised profits	**63,674**	68,600
Less: Progress claims	**(46,708)**	(50,490)
	16,966	18,110

(b) Movement in uninvoiced completed works

	2023 000's	2022 000's
Opening balance	**18,110**	21,004
Additions	**71,192**	86,240
Transfers to trade and other receivables	**(72,336)**	(89,134)
Closing balance	**16,966**	18,110

Notes to the Financial Statements
For the Year Ended 30 June 2023

11 Inventories - STC (Renewable energy certificates)

	2023 000's	2022 000's
CURRENT		
At cost:		
Inventories - STC (Renewable energy certificates)	**13**	84
	13	84

12 Inventory - Bathroom products, kitchen appliances and solarpower products

	2023 000's	2022 000's
CURRENT		
At cost:		
Finished goods	**2,839**	2,608
Less: Provision for obsolescence	**-**	(83)
	2,839	2,525

13 Other Inventories

	2023 000's	2022 000's
CURRENT		
At cost:		
Display home and home available for sale	**-**	136
New South Wales developments (Land)	**2**	2
	2	138

14 Other assets

	2023 000's	2022 000's
CURRENT		
Prepayment and other deposits	**398**	753
	398	753

Notes to the Financial Statements
For the Year Ended 30 June 2023

15 Property, plant and equipment

	2023 000's	2022 000's
At cost	**463**	463
Accumulated depreciation	**(451)**	(445)
Total plant and equipment	**12**	18
Motor vehicles		
At cost	**996**	1,052
Accumulated depreciation	**(686)**	(629)
Total motor vehicles	**310**	423
Office furniture and equipment		
At cost	**781**	757
Accumulated depreciation	**(672)**	(638)
Total office furniture and equipment	**109**	119
Computer software		
At cost	**71**	71
Accumulated depreciation	**(71)**	(71)
	-	-
Leasehold Improvements		
At cost	**142**	98
Accumulated depreciation	**(45)**	(32)
Total leasehold improvements	**97**	66
Total property, plant and equipment	**528**	626

Notes to the Financial Statements
For the Year Ended 30 June 2023

15 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated	Plant and Equipment 000's	Motor Vehicles 000's	Office Equipment 000's	Computer Software 000's	Lease Hold Improvements 000's	Total 000's
Year ended 30 June 2023						
Balance at the beginning of year	**18**	**423**	**119**	**-**	**66**	**626**
Additions	**-**	**-**	**25**	**-**	**43**	**68**
Disposals - written down value	**-**	**(16)**	**-**	**-**	**-**	**(16)**
Depreciation expense	**(6)**	**(97)**	**(35)**	**-**	**(12)**	**(150)**
Balance at the end of the year	**12**	**310**	**109**	**-**	**97**	**528**
Year ended 30 June 2022						
Balance at the beginning of year	-	529	139	9	75	752
Additions	18	72	26	-	-	116
Disposals - written down value	-	(52)	-	-	-	(52)
Depreciation expense	-	(126)	(46)	(9)	(9)	(190)
Balance at the end of the year	18	423	119	-	66	626

Notes to the Financial Statements
For the Year Ended 30 June 2023

16 Intangible Assets

	2023 $'000	2022 $'000
Opening balance at 1 July	**5,051**	-
Goodwill acquired by the Group on acquisition of Astivita	**-**	5,051
Amounts allocated to goodwill subsequent to acquisition	**492**	-
Total Intangible assets	**5,543**	5,051

Amounts allocated to goodwill subsequent to acquisition

As at 30 June 2022, the accounting for the acquisition had been completed on a provisional basis. Management were also at this time still determining the appropriate cash generating unit (CGU) to allocate the goodwill to.
During FY2023, the following occurred:

- An additional amount of $347,000 was added to the goodwill balance to reflect a correction to the Astivita inventory balance at the date of acquisition.
- A further $145,000 in deferred tax assets belonging to a related entity had been incorrectly attributed to Astivita at the date of acquisition

These adjustments were not considered material to the financial statements

Goodwill impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	2023 $'000	2022 $'000
Astivita (acquired business)	5,543	5,051

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model based on a 5 year projection period and a terminal value.
Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model:

- 7.2% post tax discount rate.
- 3% revenue growth rate for the five year forecast period
- 1% revenue growth rate beyond the five year forecast period
- 300 new houses to be built by the Tamawood Group in FY2024
- 27% gross margin on all products sold within the Group

The post-tax discount rate of 7.2% (pre tax discount rate: 10.3%) has been set using the estimated weighted average cost of capital to equate the present value of future cashflows against the current carrying value of fixed and intangible assets

Management believes the projected revenue growth rate is prudent and justified.

Management believes the assumption of 300 new houses to be built by the Tamawood Group in FY2024 to be prudent and justified based on appointment levels achieved in FY2023.

Management believes the assumption of a 27% gross margin on all products to be sold within the Group is prudent and justified. The 27% gross margin is based on the sales prices of goods from Astivita to Dixonbuild.

Based on the above, the recoverable amount of Astivita (acquired business) exceeded the carrying amount.

Notes to the Financial Statements
For the Year Ended 30 June 2023

16 Intangible Assets

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- The discount rate would have to be increased by 3% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The five year forecasted growth rate would need to decline to 2.50% before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

17 Right of use assets

	2023 000's	2022 000's
Right of Use Asset - Cost	**6,159**	7,154
Right of Use Asset - Acc. Depreciation	**(2,885)**	(2,482)
	3,274	4,672

Additions to the right-of-use assets during the year were $451,050.

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

18 Trade and other payables

	2023 000's	2022 000's
CURRENT		
Unsecured liabilities		
Trade payables	**2,615**	1,892
Other payable	**31**	31
Dividends payable	**45**	45
	2,691	1,968

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Notes to the Financial Statements
For the Year Ended 30 June 2023

19 Unbilled accrued expenses

	2023 000's	2022 000's
CURRENT		
Accrued expenses (Unbilled)	**2,252**	4,212
	2,252	4,212

20 Lease Liabilities

	2023 000's	2022 000's
Lease liabilities - Current	**841**	844
Lease liabilities - Non-current	**2,789**	4,155

21 Provisions

	2023 000's	2022 000's
CURRENT		
Warranties	-	72
Employee benefits	**567**	716
	567	788
NON-CURRENT		
Warranties	**150**	150
Employee benefits	**250**	185
	400	335

	Warranties 000's	Total 000's
Opening balance at 1 July 2022	**222**	**222**
Additional (reduction in) provisions	**(72)**	**-**
Balance at 30 June 2023	**150**	**222**

Notes to the Financial Statements
For the Year Ended 30 June 2023

21 Provisions

Provision for Warranties

A provision of $150,000 at 30 June 2023 (2022: $150,000) has been recognised for estimated warranty claims in respect of houses constructed and products sold which are still under the statutory warranty period as at balance sheet date. The statutory warranty period as stated with the Queensland Building and Construction Commission is between 6 and 7 years of completed building work. The provision for warranties has been based upon total sales for the past year and the history of claims made to date.

A provision of nil at 30 June 2023 (2022: $72,000) has been recognised for estimated warranty claims in respect of products and services which are still under warranty at the end of the reporting period. The provision was assessed by reference to the actual warranty costs incurred over the prior 12 months, this amount was then adjusted to reflect the anticipated future group warranty costs.

Refer to Note 1(j) for the relevant accounting policy and a discussion of the estimations and assumptions applied in the measurement of this provision.

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current as the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The measurement and recognition criteria relating to employee benefits have been discussed at Note 1(i).

Notes to the Financial Statements
For the Year Ended 30 June 2023

22 Tax

(a) Current tax asset / (liabilities)

	2023 000's	2022 000's
Income tax refundable / (payable)	**36**	934
	36	934

(b) Recognised deferred tax assets and liabilities

	Note	2023 000's	2022 000's
Deferred tax assets	22(c)	**5,110**	5,581
		5,110	5,581
Deferred tax liabilities	22(d)	**4,916**	5,362
		4,916	5,362

(c) Deferred tax assets

	Opening Balance 000's	From Acquisition 000's	Charged directly to profit or loss 000's	Closing Balance 000's
Deferred tax assets				
Trade and other receivables	**3**	**-**	-	**3**
Provisions	**76**	**-**	(22)	**54**
Inventories	**164**	**-**	(164)	**-**
Employee benefits	**276**	**-**	(31)	**245**
Trade and other payables and accrued expenses	**22**	**-**	(3)	**19**
Leases	**98**	**-**	9	**107**
Tax losses	**4,891**	**-**	(253)	**4,638**
Foreign exchange gains or losses	**-**	**-**	5	**5**
Other	**51**	**-**	(12)	**39**
Balance at 30 June 2023	**5,581**	**-**	(471)	**5,110**

Notes to the Financial Statements
For the Year Ended 30 June 2023

22 Tax

(c) Deferred tax assets

	Opening Balance	From Acquisition	Charged directly to profit or loss	Closing Balance
	000's	000's	000's	000's
Deferred tax assets				
Trade and other receivables	-	3	-	3
Provisions	54	22	-	76
Inventories	-	164	-	164
Employee benefits	241	23	12	276
Trade and other payables and accrued expenses	15	3	4	22
Leases	89	(1)	10	98
Tax losses	305	5,154	(568)	4,891
Other	10	25	**16**	51
Balance at 30 June 2022	**714**	**5,393**	**(526)**	**5,581**

(d) Deferred tax liability

	Opening Balance	From Acquisition	Charged directly to profit or loss	Closing Balance
	000's	000's	000's	000's
Deferred tax liability				
Uninvoiced completed works	**5,303**	-	(446)	**4,857**
Property, plant and equipment	**54**	-	5	**59**
Foreign exchange gains or loss	**5**	-	(5)	-
Balance at 30 June 2023	**5,362**	-	(446)	**4,916**
Uninvoiced completed works	6,219	-	(916)	5,303
Property, plant and equipment	50	-	4	54
Foreign exchange gains or loss	-	4	1	5
Balance at 30 June 2022	**6,269**	**4**	**(911)**	**5,362**

23 Issued Capital

	2023	2022
	000's	000's
35,436,742 (2022: 34,745,303) Ordinary shares fully paid	**30,528**	28,936
	30,528	28,936

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

Notes to the Financial Statements
For the Year Ended 30 June 2023

23 Issued Capital

The Company does not have authorised capital or par value in respect of its shares.

(a) Movement in ordinary shares

	2023 000's	2022 000's
At the beginning of the reporting period	**28,936**	11,426
Shares issued during the year		
- Dividend re-investment	**1,537**	3,055
- Shares issued under the Employee Share Scheme and Customer reward program	**55**	115
Shares issued pursuant of the acquisition of AstiVita Limited	**-**	14,340
At the end of the reporting period	**30,528**	28,936

	2023 No.	2022 No.
At the beginning of the reporting period	**34,745,303**	28,826,782
Shares issued during the year		
- Dividend re-investment	**665,149**	917,207
- Employee Share Scheme and Customer reward program	**26,290**	32,800
- Shares issued pursuant of the acquisition of AstiVita Limited	**-**	4,968,514
At the end of the reporting period	**35,436,742**	34,745,303

(b) Capital Management

Management controls the capital of the Group in order to maintain a conservative debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group is required to maintain a current ratio greater than 1:1 under its licensing conditions with the Queensland Building and Construction Commission and the NSW Home Owners Warranty Scheme.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the statement of financial position.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

(c) Dividend Re-investment Plan

The Dividend Re-investment Plan was reinstated on 18 April 2019 and remains in place since that date.

Notes to the Financial Statements

For the Year Ended 30 June 2023

24 Reserves

	2023 000's	2022 000's
Transactions with Non-Controlling Interest (NCI) reserve		
Opening balance	**(479)**	(479)
Ending balance	**(479)**	(479)

The Transactions with NCI Reserve is used to record the differences described in note 1(b) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

25 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Subsidiaries:			
AstiVita Pty Ltd	Brisbane, Australia	**100**	100
AstiVita Bathrooms and Kitchens Pty Ltd	Brisbane, Australia	**100**	100
Dixonbuild Pty Ltd	Brisbane, Australia	**100**	100
DixonConstruct Pty Ltd	Brisbane, Australia	**100**	100
Dixon NSW Pty Ltd	Sydney, Australia	**100**	100
DixonRes Pty Ltd	Brisbane, Australia	**100**	100
Dixon Systems Pty Ltd	Brisbane, Australia	**100**	100
Edesia Asti Pty Ltd*	Brisbane, Australia	**100**	100
Indent Manufacturers Pty Ltd*	Brisbane, Australia	**100**	100
Rosieres Appliances Pty Ltd*	Brisbane, Australia	**100**	100
Solarpower Pty Ltd	Brisbane, Australia	**100**	100
SolarpowerRex Pty Ltd	Brisbane, Australia	**70**	70
SolarRex Pty Ltd	Brisbane, Australia	**70**	70
TamawoodL Pty Ltd	Brisbane, Australia	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

(c) Non-controlling interests

None of the Group's subsidiaries have non-controlling interests that are material to the Group.

(d) Transactions with Non-controlling interests

Note: the increase / decrease to parent equity is recorded in the Transactions with Non-controlling Interest reserve.

Notes to the Financial Statements

For the Year Ended 30 June 2023

26 Investment in Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Associates:			
Senterprisys Limited (Formerly Resiweb Limited)	Brisbane, Australia	**10.23**	10.23

*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

All associates have the same year end as the parent entity.

There are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the entity.

Senterprisys Limited (Formerly Resiweb Limited)

Senterprisys Limited is a public company that is developing a software system including back-office and client interface processes to support small home builders. The Group's interest in the company represents a strategic investment.

27 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2023 (30 June 2022 None) except as follows:

From time to time the Group receives claims from its customers and third parties in relation to rectification to building faults and other claims. The Directors' believe that these types of claims currently outstanding are not material to the results of the financial statements and in any case can be resolved with the respective parties. Other legal claims are adequately covered by its insurance and it is unlikely that the Group will be required to meet the costs of the claims, apart from the normal insurance excess requirements.

Contingent Assets

At the reporting date the Group had no contingent assets.

28 Operating Segments

Segment information

The Group has identified it has one operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Notes to the Financial Statements
For the Year Ended 30 June 2023

29 Cash Flow Information

Reconciliation of profit for the year to net cash from operating activities

	2023 000's	2022 000's
Profit after income tax for the year	**2,113**	2,887
Adjustments for non-cash items in profit:		
- depreciation	**1,120**	1,222
- net (gain)/loss on disposal of property, plant and equipment	**-**	2
- customer reward program	**-**	115
- Employee share scheme expense	**55**	-
Net changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**172**	(601)
- (increase)/decrease in prepayments	**355**	53
- (increase)/decrease in inventories	**(107)**	618
- (increase)/decrease in uninvoiced completed works	**1,214**	3,053
- (increase)/decrease in deferred tax assets	**326**	482
- (increase)/decrease in current tax assets	**898**	577
- increase/(decrease) in trade and other payables	**376**	(2,042)
- increase/(decrease) in deferred tax liabilities	**(446)**	(911)
- increase/(decrease) in provisions	**(156)**	51
- increase/(decrease) in unbilled accrued expenses	**(1,960)**	808
Net cash from operating activities	**3,960**	6,314

30 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses and consultancy expenses for the year is shown below:

	2023 $	2022 $
Short-term employee benefits	**775,243**	829,470
Long-term benefits	**6,706**	9,435
Post-employment benefits	**54,360**	55,578
	836,309	894,483

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2023.

Notes to the Financial Statements
For the Year Ended 30 June 2023

31 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Amounts receivable from related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables. Balances are settled within normal trading terms or as per agreement with the Board. No provisions for doubtful debts have been recognised on these outstanding balances, nor have any bad debt expenses been incurred.

(a) The Group's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel ('KMP').

Transactions with KMP and their related parties, excluding remuneration, are shown below. Amounts disclosed below are rounded to the nearest dollar.

For details of remuneration disclosures relating to KMP, refer to Note 30 and the remuneration report in the Directors' Report.

(ii) Entities subject to significant influence by the Group (associates):

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

The Group's only associate is SenterpriSys Limited as detailed in Note 26.

(iii) Other entities:

Advance ZincTek (ANO) and Veganic SKN Limited are deemed to be related parties of Tamawood Limited by virtue of Mr L Mizikovsky, Non-executive Director of Tamawood Limited, having a controlling interest in these entities. Transactions between the Group and the above related parties are disclosed below.

Notes to the Financial Statements
For the Year Ended 30 June 2023

31 Related Party Transactions

(b) Transactions with related parties

(i) Sale of goods and services

	2023 $	2022 $
Key management personnel:		
Mr L Mizikovsky - Non-executive Director		
Sales to an entity controlled by Mr L Mizikovsky		
- for construction of homes under normal commercial terms by Dixon Build Pty Ltd	-	6,191
- insurances	-	10,293
Mr G Acton - Joint Company Secretary		
- Rent collected on leased property & miscellaneous services	**11,720**	8,874
Mr. T Bartholomaues - Managing Director		
- Insurance fees charged by Tamawood Ltd.	-	640
Related party		
Advance ZincTek Limited		
- Sales to ANO for IT and administration services	**7,780**	29,186
- Rent on sub-leased property	**107,460**	67,577
- Electricity	**21,801**	9,811
- Maintenance Rocklea	-	5,695
Associates:		
Senterprisys Limited (Formerly Resiweb Limited)		
- Accounting and general services provided	**12,272**	30,823
- Rent collected on leased property	**14,802**	23,466
- Insurance fees charged by Tamawood Ltd.	-	1,280
- Electricity	-	4,178
Veganic SKN Limited		
- Professional services provided	-	30,011
CyberguardAU Pty Ltd		
- Rent on sub leased property & administration costs	-	4,190
Winothai Pty Ltd		
- Insurance fees charged by Tamawood Ltd.	-	640

Notes to the Financial Statements
For the Year Ended 30 June 2023

31 Related Party Transactions

(b) Transactions with related parties

(ii) Purchase of goods and services

	2023 $	2022 $
Key management personnel:		
Mr L Mizikovsky - Non-executive Director		
- Lease of premises from an entity controlled by Mr L Mizikovsky	**55,886**	196,469
Mr G Acton - Joint Company Secretary		
- Provision of consulting, secretarial and payroll services to subsidiaries within the Group	**130,095**	140,241
Related party		
Advance ZincTek Limited		
- Accounting & general services	**114,143**	15,449
Associates:		
Senterprisys Limited (Formerly Resiweb Limited)		
- Computer support services provided to the Group	**534,738**	925,803
- Administration services provided to the Group	**11,120**	17,919
Veganic SKN Limited		
- Administration services provided to the Group	**3,223**	2,975
CyberguardAU Pty Ltd		
- Software services provided to the Group	**11,879**	24,920
Winothai Pty Ltd		
- Management services provided to the group	**31,385**	27,640
Bart Inc Family Trust		
- Provision of management services to Solarpowerrex Pty Ltd	**2,733**	645

Notes to the Financial Statements
For the Year Ended 30 June 2023

31 Related Party Transactions

(b) Transactions with related parties

(iii) Outstanding balances

	2023 $	2022 $
Key management personnel:		
Mr L Mizikovsky - Non-executive Director		
- Amounts receivable for construction material supplied and miscellaneous services by Dixonbuild Pty Ltd	**2,155**	3,562
Related party		
Associates		
Senterprisys Limited (Formerly Resiweb Limited)		
- Amounts payable for purchases from Dixonbuild Pty Ltd and Dixon Systems Pty Ltd	**12,612**	1,408
- Amounts receivable for accounting services by Dixon Build	**1,408**	40,876
Advance ZincTek Limited		
- Amount receivable for sales	**7,114**	1,925
- Amount receivable for IT & tenant services	**44,698**	27,450
- Amounts payable for purchases	**-**	105,711
G&S Quality Systems Pty Ltd		
- Amount receivable for electricity	**615**	433
- Amount receivable for rent	**2,724**	486
- Amount receivable for car insurance	**1,177**	3,415
CyberguardAU Pty Ltd		
- Amount receivable for rent	**-**	1,385
Veganic SKN Limited		
- Amount receivable for professional services	**-**	935
- Amount receivable for sales with Astivita Ltd	**601,894** *	557,042

* $404,000 had already been paid since 30 June 2023.

Notes to the Financial Statements
For the Year Ended 30 June 2023

32 Financial Risk Management

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group is primarily exposed to the following financial risks:

- Market risk - interest rate risk
- Credit risk
- Liquidity risk

Objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and whilst remaining ultimately responsible for them, it has delegated the authority to management for developing and operating processes that ensure the effective implementation of the objectives and policies of the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Group where such impact may be material.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The objective of the Group is to minimise the risk of loss from credit risk exposure.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk with respect to current and non-current receivables as the Group has a large number of customers. The nature of the Group's business is such that 76% (2022 77%) of the Group's current trade receivables were individual construction contracts which were secured by external lending institutions. The largest single construction receivable was $107,061 (2022 $124,968) and $61,167 of this has been received. The remainder of the Group's current trade receivables is represented by debtors of the Franchise segment. The largest single receivable was for $218,907 (2022 $267,079). Therefore, the Group does not have any material credit risk exposure to any single receivable or group of receivables. The Board believe that the Group's receivables are adequately diversified therefore ensuring the Group does not have significant credit risk.

The Group's maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 9. Refer to Note 9 for an ageing analysis and movement in provision for impairment of receivables.

The credit risk for cash and cash equivalents and deposits with banks and financial institutions is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Notes to the Financial Statements
For the Year Ended 30 June 2023

32 Financial Risk Management

(b) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due (e.g. funding work-in-progress).

The Group's policy is to ensure, as much as possible, that it will always have sufficient cash to allow it to meet its liabilities when they become due, under normal and stressed conditions. The Group is required to maintain a current ratio of 1:1 under its licensing conditions with the Queensland Building and Construction Commission and NSW Home Owners Warranty Scheme. The Group achieves the required ratios by holding sufficient cash in liquid form and carefully monitoring the timing of its commitments.

At the reporting date, the Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

	2023 000's	2022 000's
Current assets	**31,788**	34,333
Current liabilities	**(6,351)**	(7,812)
Working capital	**25,437**	26,521

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

	Within 12 months		1 to 5 Years		Greater than 5 Years		Total *	Total *	Weighted average interest rate	
	2023 000's	2022 000's	2023 000's	2022 000's	2023 000's $	2022 000's $	2023 000's	2022 000's	2023	2022
Financial liabilities due for payment										
Trade and other payables	**4,943**	6,180	**-**	-	**-**	-	**4,943**	6,180	**-**	-
Lease liabilities	**1,228**	1,053	**3,755**	3,746	**54**	889	**5,037**	5,688	**4.58%**	4.50%
Total contractual outflows	**6,171**	7,233	**3,755**	3,746	**54**	889	**9,980**	11,868	**4.58%**	4.50%

* The total contractual cash flows approximate the carrying amounts as presented in consolidated statement of financial position

Notes to the Financial Statements
For the Year Ended 30 June 2023

32 Financial Risk Management

(c) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising return. Market risk exposures comprise mainly interest rate risk.

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is managed by ensuring that any excess cash within the Group is utilised in reducing any borrowing facilities. The Group repaid its borrowing facilities during the 2012 financial year and currently have no borrowings.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +/-1% (2022: +/-1%). These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2023		2022	
Consolidated	**$'000s**		**$'000s**	
	+1%	**-1%**	**+1%**	**-1%**
Profit	52	(52)	52	(52)
Equity	52	(52)	52	(52)

The movements in profit are due to higher/lower interest received from cash balances. The sensitivity analysis is performed on the same basis as in the prior year other than the change in relevant risk variable.

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group's financial assets and financial liabilities consist only of short-term trade receivables and payables. Due to the short-term nature of trade receivables and payables, the carrying amounts as presented in the consolidated statement of financial position are assumed to approximate their fair values.

33 Events Occurring After the Reporting Date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements
For the Year Ended 30 June 2023

34 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	2023 000's	2022 000's
Profit attributable to members of the parent entity used in the calculation of basic and diluted EPS	**2,113**	2,887

(b) Weighted average number of shares used

	2023 No.	2022 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	**35,117,130**	29,680,131

35 Company Details

The registered office of the company is:
Tamawood Group
1821 Ipswich Road
Rocklea QLD 4074

The principal places of business are:

Dixon Homes
1821 Ipswich Road
Rocklea
Queensland 4106

Dixon Homes
684 Nicklin Way
Currimundi
Queensland 4572

Dixon Homes
Shop 1, 10 Kerr St.
Ballina
New South Wales 2478

Dixon Homes
Unit 1, 50 Lawrence Drive
Nerang
Queensland 4211

Dixon Homes
Suite 11, 39 Old Cleveland Rd
Capalaba Business Centre
Queensland 4157

Dixon Homes
Unit 4, 1356 Gympie Road
Aspley
Queensland 4032

Dixon Homes
Unit 10 & 11, 44 Princess St
Bundaberg
Queensland 4670

Dixon NSW
Shop2, 95 Hastings River Dr
Port Macquarie
New South Wales 2444

Dixon Homes
Shop 3, 98 River Rd
Gympie
Queensland 4570

Dixon Homes
4424 Warrego Highway
Plainlands
Queensland 4341

Dixon NSW
137 Melbourne St.
East Maitland
New South Wales 2323

Dixon Homes
Unit 2, 64-66 Boat Harbour Drive
Pialba
Queensland 4655

Dixon Homes
305 Pacific Highway,
Coffs Harbour
New South Wales 2450

Directors' Declaration
For the Year Ended30 June 2023

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and:

    a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the consolidated group;

2. the Managing Director has given the declarations required by Section 295A that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

RLynch.

Mr Robert Lynch
Non-Executive Chairman

Dated: 22 August 2023

Tamawood Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tamawood Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

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

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Uninvoiced completed works and revenue recognition	
Refer also to notes 1(e), 1(o) , 1(s) and 10	**How our audit addressed it**
Uninvoiced completed works of $16.463 million and revenue of $76.939 million is significant to the financial statements. Uninvoiced completed works is based on the application of AASB 15 Revenue from Contracts with Customers, with revenue recognised in accordance with the stage of completion based on the input method. The calculation of the stage of completion of the contract activity is based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs and is material to the estimation of revenue to be recognised in the financial statements. As disclosed in Note 1(s), significant management estimation is required in assessing the following: - Percentage of completion on the construction contracts. As such this matter has been determined as a key area of focus for our audit.	Our audit procedures included: — On a sample basis, performing site inspections throughout the financial year to determine the status of construction projects and compared this to the Group's accounting records and construction information system; — Testing the design and operation of controls regarding the recognition of revenue and work in progress; — Analysis of data contained in the construction information system, including tracing back to individual contracts; — Substantive tests of details in respect of tracing to individual contracts, bank statements and construction information system and accounting records; and — Analytical procedures in respect of gross margin, number of contracts signed, progress payments received and constructions completed. We have also assessed the adequacy of disclosures in the notes to the financial statements.

Goodwill	
Refer also to notes 1(q), 1(s) and 16	**How our audit addressed it**
The Group acquired Astivita Limited on 31 May 2022. As a result of this transaction, goodwill relating to the purchase of Astivita Limited was recognised of $5.051 million for the year ended 30 June 2022. During FY23, as a result of finalising the purchase price allocation, a further $492,000 was allocated to goodwill, resulting in a closing balance of $5,543 million as at 30 June 2023. The recoverable amount of the Group's Cash Generating Units ("CGUs") is determined each reporting period by reference to valuations prepared using discounted cash flow models ("DCF models"). DCF models contain significant judgement and estimation in respect of future	Our audit procedures included: — Assessing the key assumptions of the goodwill impairment model; — Analysing the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the CGU; — Evaluating whether the discount rate used in the model appropriately reflected the risks of the CGU, using the skills and know-how of our in-house specialists; and — Performed sensitivity analysis over the key assumptions in the model. We also assessed the adequacy of the Group's disclosures in respect of the acquisition in the financial report.

cash flow forecasts, discount rate and terminal growth rate assumptions. Changes in certain assumptions can lead to significant changes in the assessment of the recoverable amount. As such this matter has been determined as a key area of focus for our audit.	

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information 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, 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

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

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Tamawood Limited, for the year ended 30 June 2023, 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.

William Buck

William Buck (Qld)
ABN 21 559 713 106

J A Latif
Director

Brisbane 22 August 2023

Corporate Governance Statement

30 June 2023

The objective of the Board of Tamawood Limited ("Tamawood") is to create and deliver long term shareholder value through a range of diversified but interrelated activities around home design, project management services and home contract construction.

Tamawood and its subsidiaries operate as a single economic entity under a unified Board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic Group ("the Group").

Tamawood Limited has adopted the recommendations of the ASX Corporate Principles and Recommendations Edition 4. Tamawood has completed and lodged an Appendix 4G and Corporate Governance Statement in conjunction with the lodgement of its Annual Report. Tamawood has clearly explained in its governance strategy where principles have been adopted and if not why not.

The company's charters, committees and corporate governance principles are on our website www.tamawood.com.au

Shareholder Information

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 8 August 2023.

Voting rights

Ordinary Shares
All ordinary shares (whether fully paid or not) carry one vote per share without restriction.
Voting rights of shareholders are governed by the Company's Rules. In summary, a shareholder is entitled to exercise one vote for each shareholder on any question arising from a meeting of the Company.
Members wishing to appoint proxies may do so in accordance with the Corporations Act 2001 and Rules of the Company.

Distribution of equity security holders

Holding	No. of Shares	No. of Holders
1 – 1,000	396,899	2,071
1,001 – 5,000	1,445,442	524
5,001 – 10,000	1,447,282	196
10,001 – 100,000	5,823,249	230
100,001 and over	26,406,297	19
	35,519,169	**3,040**

There were 1,688 holders of less than a marketable parcel of ordinary shares

Shareholder Information

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Twenty largest shareholders

	Number held	% of issued shares
ANKLA PTY LTD	9,486,385	26.71%
RAINROSE PTY LTD	8,647,328	24.35%
MUTUAL TRUST PTY LTD	1,757,475	4.95%
NOWCASTLE PTY LTD	1,285,147	3.62%
SUNSTAR AUSTRALIA PTY LTD	876,920	2.47%
STODDART BUILDING PRODUCTS PTY LTD	631,116	1.78%
RIPELAND PTY LTD	514,147	1.45%
MR ROBERT PATRICK LYNCH & MS SINEAD JOSEPHINE LYNCH <LYNCH FAMILY S/F A/C>	512,500	1.44%
MR TIMOTHY MARK BARTHOLOMAEUS & MS PATRESE CAROLINE BARTHOLOMAEUS <BART INC FAMILY A/C>	460,000	1.30%
RELAX AND RECREATION PTY LTD <A B THOMAS SUPER FUND A/C>	454,197	1.28%
ODALREACH PTY LTD	430,907	1.21%
MIZI SUPERANNUATION PTY LTD <MIZI SUPER FUND A/C>	289,717	0.82%
MR ANDREW BARRY THOMAS	210,779	0.59%
MR JOSEPH KEVIN MIZIKOVSKY	193,028	0.54%
COOLTRAC PTY LTD	181,140	0.51%
MRS MEREDITH BERNICE KUHNEMANN	129,500	0.36%
GENERAL PACKAGING PTY LTD	125,131	0.35%
FREEDMAN INVESTMENTS PTY LTD <FREEDMAN ENTERPRISES A/C>	114,112	0.32%
IZMO PTY LTD <SIMIZ A/C>	106,768	0.30%
MR ROBERT JAMES SIMPSON	100,000	0.28%
	26,506,297	**74.63%**

Securities exchange

The Company is listed on the Australian Securities Exchange (ASX code: TWD).

Share registry

The register of security holders of the Company is kept at the office of Automic Registry Services.

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Disclosures Regarding Forward Looking Statements

- This Annual Report includes forward looking statements that have been based on Tamawood's current expectations and predictions about future events including Tamawood's intentions.

- These forward looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Tamawood to differ materially from the expectations and predictions, express or implied, in such forward looking statements.

- None of Tamawood, its officers, directors, the persons named in this Annual Report with their consent, or the persons involved in the preparation of this, Annual Report makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and options as at the date of this market update.

- We obviously can't predict the economic situation in Australia and any other negative impacts, like weather or insolvencies of other major builders.