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**Form 388**

Corporations Act 2001  
**294, 295, 298-300, 307, 308, 319, 321, 322**  
Corporations Regulations  
**1.0.08**

## Copy of financial statements and reports

### Company details

Company name

**RONDO BUILDING SERVICES PTY LTD**

ACN

**000 289 207**

### Reason for lodgement of statement and reports

A large proprietary company that is not a disclosing entity

Dates on which financial  
year ends

Financial year end date  
**30-06-2024**

### Details of large proprietary company

What is the consolidated revenue of the large proprietary company and the entities that it controls?

**258326000**

What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

**136900000**

How many members does the large proprietary company have?

**2**

### Auditor's report

Were the financial statements audited?

**Yes**

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

**No**

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

Form 388 - Copy of financial statements and reports  
RONDO BUILDING SERVICES PTY LTD ACN 000 289 207

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**No**

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### Details of current auditor or auditors

#### Current auditor

Date of appointment **14-03-2007**  
Name of auditor  
**KPMG**  
Address  
**'TOWER THREE INTERNATIONAL  
TOWERS  
SYDNEY'  
300 BARANGAROO AVENUE  
SYDNEY NSW 2000**

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### Certification

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I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.  
**Yes**

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### Signature

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Select the capacity in which you are lodging the form  
**Secretary**

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.  
**Yes**

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### Authentication

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This form has been submitted by  
Name **Dante Moje DE VILLA**  
Date **06-01-2025**

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#### For more help or information

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Telephone 1300 300 630

# **Rondo Building Services Pty. Ltd**

ABN 69 000 289 207

Consolidated General Purpose Financial Statements  
for the Year Ended 30 June 2024

**Rondo Building Services Pty. Ltd**

**Consolidated financial report for the year ended 30 June 2024**  
**Directors' Report**

Your directors present their report together with the consolidated financial statements of the Group comprising Rondo Building Services Pty Ltd ("the Company") and its controlled entities for the financial year ended 30 June 2024.

**Directors**

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

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
T Charnock	27 September 2010	
P Dalton	6 October 2020	21 August 2024
J. Bryant	24 July 2015	
N. Cormack	07 March 2023	
W. Studdon	21 August 2024	

**Principal activities**

Rondo Building Services Pty. Ltd is a company limited by shares that is incorporated and domiciled in Australia. The principal activity of the Company is the manufacture, distribution and sale of suspended ceiling systems, steel wall partition systems and associated products. There were no significant changes in the nature of those activities during the financial year.

**Registered office**

57-87 Lockwood Road  
Erskine Park NSW 2759

**Principal place of business**

57-87 Lockwood Road  
Erskine Park NSW 2759

**Review of operations**

The consolidated profit for the financial year after providing for income tax was \$39,977,000 (2023: profit of \$40,750,000).

**Matters subsequent to the financial year**

No matters or circumstances have arisen since the end of the financial year that may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

**Likely developments**

The Company will continue to meet its contractual obligations in the ensuing financial year.

Further information on likely developments in the company's operations and the expected results of operations has not been included because the directors are of the opinion that the disclosure of such information would unreasonably prejudice the company.

**Environmental regulation**

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, or a State or Territory.

**Dividends**

Fully franked dividends of \$66,400,000 were paid to shareholders during the financial year.

**Rondo Building Services Pty. Ltd**

**Consolidated financial report for the year ended 30 June 2024**

**Directors' Report (continued)**

**Insurance of directors and officers**

During or since the financial period, the company has paid premiums in respect of a contract insuring all of the directors and certain senior executives of Rondo Building Services Pty. Ltd except against costs incurred defending:

- a) Conduct involving a willful breach of duty; or
- b) Contravening of Sections 182 or 183 of the *Corporations Act 2001*.

As permitted by Section 199B of the *Corporations Act 2001*

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred by such an officer or auditor.

**Rounding off**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 (Rounding instrument) and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.

Director  
Sydney, New South Wales,

17 September 2024

Director  
Sydney, New South Wales,

17 September 2024



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

To the Directors of Rondo Building Services Pty. Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Rondo Building Services Pty. Ltd for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to be 'Daniel Camilleri'.

Daniel Camilleri

*Partner*

Sydney

17 September 2024



# Independent Auditor's Report

To the shareholders of Rondo Building Services Pty. Ltd

## Opinion

We have audited the **Financial Report** of Rondo Building Services Pty. Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of Rondo Building Services Pty. Ltd (the Company) and the entities it controlled at the year end or from time to time during the financial year.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with these requirements.

## Other Information

Other Information is financial and non-financial information in Rondo Building Services Pty. Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.



We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

#### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our Auditor's Report.

A stylized signature of the KPMG logo, written in blue ink.

KPMG

A handwritten signature in blue ink, appearing to read 'Daniel Camilleri'.

Daniel Camilleri

Partner

Sydney

17 September 2024



**Rondo Building Services Pty. Ltd**

**Consolidated financial report for the year ended 30 June 2024**

**Directors' Declaration**

In the opinion of the directors of Rondo Building Services Pty Ltd ("the Company"):

- (a) the Group is not a reporting entity;
- (b) the Consolidated statements and notes, set out on pages 8 to 27, are in accordance with the Corporations Act 2001, including:
  - (i.) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - (ii.) complying with Australian Accounting Standards - Simplified Disclosure Requirements, and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



Director

Sydney, New South Wales,

17 September 2024.



Director

Sydney, New South Wales,

17 September 2024.

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Revenue:</b>			
Sale of Goods	4	258,326	300,139
Cost of Goods Sold		(156,119)	(193,897)
<b>Gross profit</b>		<u>102,207</u>	<u>106,242</u>
Distribution expenses		(18,527)	(18,300)
Sales and marketing expenses		(12,193)	(12,245)
Administration expenses		(9,297)	(9,564)
Other expenses	5	(2,753)	(3,960)
		<u>(42,770)</u>	<u>(44,069)</u>
<b>Operating profit</b>		<u>59,437</u>	<u>62,173</u>
Financial income		770	211
Financial expenses		(2,944)	(3,586)
<b>Net financing costs</b>		<u>(2,174)</u>	<u>(3,375)</u>
Profit before income tax expense		57,263	58,798
Income tax expense	6	(17,286)	(18,048)
<b>Net profit after tax</b>		<u>39,977</u>	<u>40,750</u>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences for foreign operations		(51)	120
<b>Total comprehensive income</b>		<u>39,926</u>	<u>40,870</u>

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

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Consolidated statement of financial position as at 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents	7	6,294	23,322
Trade and other receivables	8	43,475	55,902
Inventories	11	27,878	33,629
Current Tax Receivable		27	-
<b>Total current assets</b>		<b>77,674</b>	<b>112,853</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	9,944	8,717
Right of use assets	12	37,289	42,327
Intangible assets	10	3,706	3,846
Deferred tax assets	13	8,287	4,800
<b>Total non-current assets</b>		<b>59,226</b>	<b>59,690</b>
<b>Total assets</b>		<b>136,900</b>	<b>172,543</b>
<b>Current liabilities</b>			
Trade and other payables	14	35,127	42,854
Lease liabilities		5,297	5,041
Current tax payable		4,376	5,924
Financial liabilities	15	2,019	22
Provisions	16	8,967	9,223
<b>Total current liabilities</b>		<b>55,786</b>	<b>63,064</b>
<b>Non-current liabilities</b>			
Lease liabilities		41,920	46,640
Provisions	16	2,310	2,268
Financial liabilities	15	269	288
<b>Total non-current liabilities</b>		<b>44,499</b>	<b>49,196</b>
<b>Total liabilities</b>		<b>100,285</b>	<b>112,260</b>
<b>Net assets</b>		<b>36,615</b>	<b>60,283</b>
<b>Equity</b>			
Share capital	17	1,300	1,300
Reserves	18	(756)	(705)
Retained earnings	19	36,071	59,688
<b>Total equity</b>		<b>36,615</b>	<b>60,283</b>

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

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Consolidated statement of changes in equity for the year ended 30 June 2024**

	Share Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 30 June 2022</b>	<b>1,300</b>	<b>(1,100)</b>	<b>43,938</b>	<b>44,138</b>
Net profit / (loss)	-	-	40,750	40,750
<b>Other comprehensive income</b>				
Translation of assets and liabilities of overseas controlled entities	-	120	-	120
<b>Total comprehensive income</b>	<b>-</b>	<b>120</b>	<b>40,750</b>	<b>40,870</b>
Disposal of business	-	275	-	275
<b>Transactions with owners in their capacity as owners</b>				
Dividends paid	-	-	(25,000)	(25,000)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>(25,000)</b>
<b>Balance at 30 June 2023</b>	<b>1,300</b>	<b>(705)</b>	<b>59,688</b>	<b>60,283</b>
Net profit / (loss)	-	-	39,977	39,977
Recognition of DTA from lease by applying AASB 2021-5	-	-	2,806	2,806
<b>Other comprehensive income</b>				
Translation of assets and liabilities of overseas controlled entities	-	(51)	-	(51)
<b>Total comprehensive income</b>	<b>-</b>	<b>(51)</b>	<b>42,783</b>	<b>42,732</b>
<b>Transactions with owners in their capacity as owners</b>				
Dividends paid	-	-	(66,400)	(66,400)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(66,400)</b>	<b>(66,400)</b>
<b>Balance at 30 June 2024</b>	<b>1,300</b>	<b>(756)</b>	<b>36,071</b>	<b>36,615</b>

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

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Consolidated statement of cash flows for the year ended 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		296,586	328,263
Payments to suppliers and employees		(219,190)	(244,047)
Cash generated from operations		77,396	84,216
Interest received		770	211
Income tax paid		(19,544)	(14,816)
Interest paid		(219)	(498)
Interest paid – lease liabilities		(2,725)	(3,088)
<b>Net cash generated from operating activities</b>		<b>55,678</b>	<b>66,025</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(3,234)	(1,815)
Proceeds from sale of Asian entities		-	8,400
<b>Net cash used in investing activities</b>		<b>(3,234)</b>	<b>6,585</b>
<b>Cash flows from financing activities</b>			
Borrowings received from shareholders		17,000	39,500
Repayment of borrowings		(15,022)	(65,764)
Dividends paid	20	(66,400)	(25,000)
Repayment of lease liabilities - principal		(4,986)	(5,436)
<b>Net cash used in financing activities</b>		<b>(69,408)</b>	<b>(56,700)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(16,964)</b>	<b>15,910</b>
Effect of exchange rate changes on the balance of cash held in foreign currencies		(64)	288
Cash and cash equivalents at the beginning of the financial year		23,322	7,124
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>6,294</b>	<b>23,322</b>

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



## Rondo Building Services Pty. Ltd

### Consolidated financial report for the year ended 30 June 2024

#### Notes to the financial report

#### 1. Reporting entity

Rondo Building Services Pty. Ltd ("the Company") is a company domiciled in Australia. The Company's registered office is at 57-87 Lockwood Road, Erskine Park, NSW. The consolidated financial report of the Company for the year ended 30 June 2024 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in the manufacture, distribution and sale of suspended ceiling systems, steel wall partition systems and associated products.

#### 2. Basis of preparation

##### (a) Statement of compliance

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board and the Corporations Act 2001.

These consolidated financial statements were authorised for issue by the Company's board of directors on 17 September, 2024.

##### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except where stated.

##### (c) Functional and presentation currency

The consolidated financial report is presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 (Rounding instrument) and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

##### (d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Refer to Note 3(k)(i) for the detail on warranty estimates and judgments.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

#### 3. Material accounting policies

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

##### (a) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

## Rondo Building Services Pty. Ltd

### Consolidated financial report for the year ended 30 June 2024

#### Notes to the financial report

#### 3. Material accounting policies (continued)

##### (a) Basis of consolidation (continued)

##### (ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

##### (b) Foreign currency

##### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising from the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in equity (see (ii) below).

##### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at exchange rates at the dates of the transactions. The Group does not have any foreign operations in hyperinflationary economies at the reporting date.

Foreign currency differences are recognised in other comprehensive income and presented in the Foreign Currency Translation Reserve (FCTR) in equity. When a foreign operation is disposed of, whether in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and they are recognised other comprehensive income and presented in the Foreign Currency Translation Reserve (FCTR) in equity.

##### (c) Financial instruments

##### (i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit and loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.



## Rondo Building Services Pty. Ltd

### Consolidated financial report for the year ended 30 June 2024

#### Notes to the financial report

#### 3. Material accounting policies (continued)

##### (c) Financial instruments (continued)

###### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Accounting for finance income and expenses is discussed in Note 3(n)(i).

##### (ii) Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### (iii) Share Capital

###### *Ordinary shares*

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

##### (iv) Dividends

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

##### (v) Derivative financial instruments, including hedge accounting

The Group does not enter into derivative transactions.

##### (d) Property, plant and equipment

###### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation and impairment losses. The costs of self-constructed assets includes the costs of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of construction overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.



**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report****3. Material accounting policies (continued)****(d) Property, plant and equipment (continued)**

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. Gains and losses on disposal are recognised net within "other income and expenses" in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

**(ii) Subsequent costs**

The cost of replacing an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**(iii) Depreciation**

Depreciation is calculated on a straight line basis to write-off the net cost of each item of property, plant and equipment (except land) over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives for the current and prior period are as follows:

Leasehold improvements	10 – 33 years
Plant and equipment	5 – 20 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

**(e) Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**(i) As a Lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

## Rondo Building Services Pty. Ltd

### Consolidated financial report for the year ended 30 June 2024

#### Notes to the financial report

#### 3. Material accounting policies (continued)

##### (i) As a Lessee (continued)

- fixed payments, including in- substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of- use asset or is recorded in profit or loss if the carrying amount of the right- of- use asset has been reduced to zero.

##### (f) Intangible assets

##### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in the income statement.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested annually for impairment.

##### (ii) Patents

Patents acquired by the Group are measured at cost less accumulated amortisation. Amortisation is recognised in profit and loss on a straight line basis over the estimated useful lives of patent.

##### (iii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

##### (iv) Other Intangible assets

Other intangible assets that are acquired by the Group which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.



## Rondo Building Services Pty. Ltd

### Consolidated financial report for the year ended 30 June 2024

#### Notes to the financial report

#### 3. Material accounting policies (continued)

##### (v) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

##### (vi) Amortisation

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use. The estimated useful life for the current and prior period are as follows:

Software	4 years
Patents	5 – 16 years

##### (g) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the standard cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

##### (h) Impairment

##### (i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

##### (ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangibles assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report****3. Material accounting policies (continued)****(h) Impairment (continued)**

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(i) Non-current assets held for sale**

Non-current assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are re-measured in accordance with the Group's accounting policies. Thereafter, generally, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is firstly allocated to goodwill, and subsequently to the remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

**(j) Employee benefits****(i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution super funds are recognised as a personnel expense in profit and loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

**(ii) Other long-term service benefits**

The Group's net obligation in respect of long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the balance sheet date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Group's obligations.

**(iii) Termination benefits**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement age, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancy is recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**(iv) Short-term benefits**

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wages and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.



## Rondo Building Services Pty. Ltd

### Consolidated financial report for the year ended 30 June 2024

#### Notes to the financial report

#### 3. Material accounting policies (continued)

##### (k) Provisions

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

##### Warranty

- (i) Provision for warranties and after sales liabilities is recognised when the company identifies situations where products sold have not performed according to specification. Provisioning is based on specific identification of projects where failures have occurred and rectification costs have been quantified.

- (ii) **Make good provision**

A provision for make good costs is recognised over the period of the lease, measured at the expected cost of make good at each reporting date.

- (iii) **Insurance provision**

A provision for insurance liability is raised when the company identifies situations where insurance excesses are notified.

##### (l) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

##### (m) Revenue

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised at a point in time when a customer obtains control of the goods in accordance with AASB 15 Revenue from Contracts with Customers.

##### (n) Expenses

##### (i) Operating lease payments

Payments made under operating leases that are not captured under AASB 16 are recognised in profit or loss on a straight-line basis over the term of the lease. Fixed rate increases to lease rental payments, excluding contingent or index based rental increases, such as Consumer Price Index (CPI), turnover rental and other similar increases, are recognised on a straight line basis over the lease term. An asset or liability arises for the difference between the amount paid and the lease expense brought to account on a straight line basis.

## **Rondo Building Services Pty. Ltd**

### **Consolidated financial report for the year ended 30 June 2024**

#### **Notes to the financial report**

#### **3. Material accounting policies (continued)**

##### **(o) Income tax**

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

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: initial recognition of goodwill, the initial recognition of assets and liabilities that affect neither accounting profit nor taxable profit, and the differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

##### **(p) Goods and services tax**

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax office is included as a current asset or liability in the balance sheet.

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

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report**

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>4. Revenue</b>		
Australia and New Zealand	258,326	293,188
Asia	-	6,951
	<u>258,326</u>	<u>300,139</u>
<b>5. Operating profit for the period</b>		
<i>Other expenses</i>		
Loss on sale of non-current assets	(5)	(10)
Warranty	-	(19)
Research, development and technical cost	(2,702)	(2,360)
Foreign Exchange loss	(11)	(57)
Other	(35)	(1,514)
	<u>(2,753)</u>	<u>(3,960)</u>
Other in 2023 includes the loss on sale of Asian entities		
<i>Other charges included in operating profit for the period</i>		
Depreciation and amortisation of non-current assets	(2,136)	(2,168)
Employee benefits expense	(34,291)	(35,510)
	<u>(36,427)</u>	<u>(37,678)</u>
<b>6. Income Tax expense</b>		
<b><i>Reconciliation of effective tax rate</i></b>		
Profit before tax	57,263	58,798
Income tax using Company tax rate 30%	(17,179)	(17,639)
Effect of tax rates in foreign jurisdiction	42	39
Tax effect of non-taxable items	401	(1,123)
Over/(under) provision in prior year	(550)	675
	<u>(17,286)</u>	<u>(18,048)</u>
<b>Current tax expense</b>		
Current year	(17,417)	(19,105)
Changes in estimates related to prior years	(550)	675
	<u>(17,967)</u>	<u>(18,430)</u>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	681	382
	<u>(17,286)</u>	<u>(18,048)</u>
<b>7. Cash and cash equivalents</b>		
Cash on hand	1	1
Cash at bank	6,293	23,321
Cash and cash equivalents	<u>6,294</u>	<u>23,322</u>
<b>8. Trade and other receivables</b>		
Trade receivables due from other parties	32,316	42,712
Trade receivables due from related parties	10,615	12,911
Allowance for doubtful debts	(513)	(416)
Other	1,057	695
	<u>43,475</u>	<u>55,902</u>

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report****9. Property, plant and equipment**

<b>Group</b>	<b>Leasehold Improvements</b>	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Under Construction</b>	<b>Total</b>
<b>Cost At 1 July 2023</b>	<b>8,107</b>	<b>29,823</b>	<b>57</b>	<b>944</b>	<b>1,117</b>	<b>40,048</b>
Additions	1,034	1,811	-	8	376	3,229
Disposals	(61)	(179)	(14)	(13)	-	(267)
Reclassification	430	531			(961)	-
Effect of movements in exchange rates	-	(4)	-	-	(1)	(5)
<b>Balance at 30 June 2024</b>	<b>9,510</b>	<b>31,982</b>	<b>43</b>	<b>939</b>	<b>531</b>	<b>43,005</b>

**Accumulated Depreciation**

At 1 July 2023	<b>(5,856)</b>	<b>(24,591)</b>	<b>(57)</b>	<b>(827)</b>	-	<b>(31,331)</b>
Depreciation	(465)	(1,510)	-	(22)	-	(1,997)
Disposals	55	180	14	13	-	262
Reclassification	11	(11)	-	-	-	-
Effect of movements in exchange rates	1	4	-	-	-	5
<b>Balance as at 30 June 2024</b>	<b>(6,254)</b>	<b>(25,928)</b>	<b>(43)</b>	<b>(836)</b>	-	<b>(33,061)</b>

**Carrying Amounts**

At 30 June 2023	2,251	5,232	-	117	1,117	8,717
<b>At 30 June 2024</b>	<b>3,256</b>	<b>6,054</b>	-	<b>103</b>	<b>531</b>	<b>9,944</b>

**10. Intangible assets**

<b>Group</b>	<b>Patents</b>	<b>Software</b>	<b>Goodwill</b>	<b>Totals</b>
Cost at 1 July 2023	3,104	285	3,217	6,606
Additions	-	5	-	5
Disposals	-	-	-	-
Effect of movements in exchange rates	-	12	(6)	6
<b>Balance as at 30 June 2024</b>	<b>3,104</b>	<b>302</b>	<b>3,211</b>	<b>6,617</b>

**Accumulated Depreciation**

At 1 July 2023	(2,535)	(225)	-	(2,760)
Amortisation for the year	(116)	(22)	-	(138)
Disposals	-	-	-	-
Effect of movements in exchange rates	(1)	(12)	-	(13)
<b>Balance as at 30 June 2024</b>	<b>(2,652)</b>	<b>(259)</b>	-	<b>(2,911)</b>

**Carrying Amounts**

At 30 June 2023	569	60	3,217	3,846
<b>At 30 June 2024</b>	<b>452</b>	<b>43</b>	<b>3,211</b>	<b>3,706</b>



**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report**

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>11. Inventories</b>		
Raw materials and consumables	9,049	15,052
Finished goods	21,589	21,462
Provision	(2,760)	(2,885)
	<u>27,878</u>	<u>33,629</u>

In 2024, inventories of \$156,119,000 (2023: \$193,897,000) were recognized as an expense during the year and included in the "Cost of goods sold".

<b>12. Right-of-use assets</b>		
Balance at 1 July 2023	42,327	35,696
Additions to right-of use assets	522	12,544
Revaluation of right of use assets	22	(792)
Depreciation charge for the year	(5,582)	(5,121)
	<u>37,289</u>	<u>42,327</u>

**Future lease payments**

Less than one year	7,856	8,115
One to five years	32,713	35,212
More than five years	19,198	24,438
	<u>59,767</u>	<u>67,765</u>

**13. Deferred tax balances**

	<b>Net balance at 1 July 2023</b>	<b>Recogn. directly in equity</b>	<b>Recogn. in profit and loss</b>	<b>Balance at 30 June 2024</b>		
				<b>Net</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
Inventories	775	-	(79)	696	696	-
Property, plant and equipment (including right-of-use assets)	399	(12,530)	1,344	(10,787)	256	(11,043)
Intangibles	(58)	-	9	(49)	-	(49)
Loans and Borrowings (including lease liabilities)	-	15,336	(1,319)	14,017	14,017	-
Provisions	3,682	-	728	4,410	4,410	-
Other	2	-	(2)	-	-	-
<b>Balance</b>	<u><b>4,800</b></u>	<u><b>2,806</b></u>	<u><b>681</b></u>	<u><b>8,287</b></u>	<u><b>19,379</b></u>	<u><b>(11,092)</b></u>

**14. Current trade and other payables**

Trade payables due to other parties	20,292	25,971
Trade payables due to related parties	-	423
Other payables	14,835	16,460
	<u>35,127</u>	<u>42,854</u>

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report**

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>15. Financial liabilities - current</b>		
Loans from shareholders	2,000	-
Other financial liabilities	19	22
	<u>2,019</u>	<u>22</u>
<b>Financial liabilities - non-current</b>		
Loan	269	288
Other financial liabilities	269	288
	<u>269</u>	<u>288</u>
<b>16. Provisions</b>		
<b>Current</b>		
Employee entitlements	8,431	8,781
Warranty	536	442
	<u>8,967</u>	<u>9,223</u>
<b>Non-Current</b>		
Make good	1,930	1,888
Employee entitlements	380	380
	<u>2,310</u>	<u>2,268</u>

The \$42,000 increase in the make good provision has been reflected in the current period consolidated statement of profit or loss .

**17. Share capital**

On issue at 30 June - fully paid ordinary shares	1,300	1,300
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**Ordinary Shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and in the event of a poll each share is entitled to one vote.

<b>18. Reserves</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>Foreign currency translation reserve</b>		
Balance at the start of the financial year	(705)	(1,100)
Translation of foreign operations	(51)	120
Disposal of Asian entities	-	275
Balance at the end of the financial year	<u>(756)</u>	<u>(705)</u>

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the Group.

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report****19. Retained earnings**

Retained earnings at the start of the financial year	59,688	43,938
Net profit for the year	39,977	40,750
Recognition of DTA from lease by applying AASB 2021-5	2,806	-
Dividends paid	(66,400)	(25,000)
Retained earnings at the end of the financial year	36,071	59,688

**20. Dividends and franking account*****Dividends paid***

	<u>Total amount</u> \$'000	<u>Per share</u>	<u>Franked / Unfranked</u>	<u>Date of payment</u>
<b>2024</b>				
Declared and paid during the year				
First dividend paid	28,700	\$22.077	Franked	26 September 2023
Second dividend paid	37,700	\$29.000	Franked	27 March 2024
	<u>66,400</u>			
<b>2023</b>				
Declared and paid during the year				
First dividend paid	12,500	\$9.615	Franked	20 December 2022
Second dividend paid	12,500	\$9.615	Franked	31 March 2023
	<u>25,000</u>			

	<b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
<b><i>Dividend franking account</i></b>		

Adjusted franking account balance	<u>8,810</u>	<u>20,012</u>
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100% of franking credits are available to shareholders of Rondo Building Services Pty. Ltd for subsequent financial years.

The above available amounts are based on the balance of 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 credits that will arise from the payment of dividends recognised as a liability at year end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at year end; and
- (d) Franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilize the franking credits is dependent upon there being sufficient available profits to declare dividends.

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report**

	Note	2024 \$	2023 \$
<b>21. Auditor's remuneration</b>			
<b>Audit services</b>			
Auditors of the Company			
<i>KPMG Australia:</i>			
Audit and review of financial reports		188,290	173,583
		<u>188,290</u>	<u>173,583</u>
<b>Other Services</b>			
<i>KPMG Australia</i>			
Segregation of Duties Review		-	15,153
<i>Overseas KPMG firms:</i>			
Taxation services		12,397	12,672
		<u>12,397</u>	<u>27,825</u>

**22. Contingencies****Warranties**

The Group is exposed to liabilities arising from warranty claims for certain products. It has recognised a provision for the amount of warranty claims incurred but not received that is reliably measurable. However, warranty claims may arise that exceed the level of provisioning for incurred but not received amounts.

**Bank Guarantee**

The Group has issued bank guarantees of \$4,920,065 to unrelated parties to guarantee performance in relation to lease contracts.

**23. Related Party****a. Ownership interests**

CSR Investments Pty. Limited and Knauf Gypsum Pty Ltd (collectively referred to as the shareholders) each hold a 50% interest in Rondo Building Services Pty Ltd. The ultimate controlling parties are CSR Limited and Gebr.Knauf KG.

**b. Transactions with key management personnel**

Key management personnel is determined to be the directors of the Company. All directors' remuneration is borne directly by the shareholders of the Company, and no Key management personnel remuneration is borne by the Group. (2023: nil)

**c. Other shareholder transactions.**

The value of shareholder transactions and outstanding balances have not been disclosed given the commercial confidentiality.

**Rondo Building Services Pty. Ltd****Consolidated financial report for the year ended 30 June 2024****Notes to the financial report****24. Parent entity disclosures**

As at, and throughout, the financial year ending 30 June 2024, the parent company of the Group was Rondo Building Services Pty. Ltd.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Result of the parent entity</b>		
Profit for the period	39,977	48,535
Total comprehensive income for the period	39,977	48,535
<b>Financial position of parent entity at year end</b>		
Current assets	77,674	112,728
Total assets	134,278	172,417
Current liabilities	55,786	63,059
Total liabilities	100,285	112,255
<b>Total equity of the parent entity comprising of:</b>		
Share capital	1,300	1,300
Retained earnings	32,693	58,862
Total equity	33,993	60,162

**Parent entity contingencies**

The contingencies for the parent are consistent with the contingencies disclosed for the Group.

**25. Subsequent events**

On 9 July 2024, Saint-Gobain announced it has completed the acquisition of CSR Limited. As a result, the ultimate controlling parties of the Group have been changed to Compagnie de Saint-Gobain and Gebr.Knauf KG. There have been no other events subsequent to balance date which would have a material effect on the Group's financial statements at 30 June 2024.

