

# **Minemet Recycling Group Pty Ltd and Controlled Entities**

**ACN 629 010 484**

**Annual Report - 30 June 2024**

**Minemet Recycling Group Pty Ltd and Controlled Entities**

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**30 June 2024**

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**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Corporate directory**  
**30 June 2024**

Directors

Hugh Mckee  
Declan Andrew Sherman  
Madeleine Fay Delahunty

Company secretary

Hugh Mckee

Registered office and  
principal place of business

Suite 1212, 1 Queens Road  
Melbourne 3004 VIC

Auditor

Grant Thornton Audit Pty Ltd

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## Minemet Recycling Group Pty Ltd and Controlled Entities

### Director's report

30 June 2024

The director presents their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Minemet Recycling Group Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

#### Directors

The following persons were directors of Minemet Recycling Group Pty Ltd and Controlled Entities during the whole of the financial year and up to the date of this report, unless otherwise stated:

Directors	Hugh Mckee
	Declan Andrew Sherman (appointed on 26 October 2023)
	Madeleine Fay Delahunty (appointed on 26 October 2023)

#### Principal activities

The principal activities of the consolidated entity during the financial year is trading in Scrap Metal.

#### Dividends

Dividends paid during the financial year were as follows.

	Consolidated	
	2024	2023
	\$	\$
Final Dividend for the year	7,803,001	-

#### Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$8,359,054 (30 June 2023: \$5,453,210).

#### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

#### Matters subsequent to the end of the financial year

On 1 August 2024, the entity acquired Highett Metal Pty Ltd.

Nature of the acquisition was a share purchase and consideration paid \$ 9,500,000.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

#### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### Shares under option

There were no unissued ordinary shares of Minemet Recycling Group Pty Ltd under option outstanding at the date of this report.

#### Shares issued on the exercise of options

There were no ordinary shares of Minemet Recycling Group Pty Ltd issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

#### Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

**Minemet Recycling Group Pty Ltd and Controlled Entities**

**Director's report**

**30 June 2024**

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Auditor's independence declaration**

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Hugh Mckee  
Director

2 October 2024

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**Grant Thornton Audit Pty Ltd**

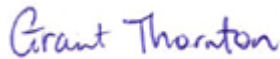
Level 22 Tower 5  
Collins Square  
727 Collins Street  
Melbourne VIC 3008  
GPO Box 4736  
Melbourne VIC 3001  
T +61 3 8320 2222

## Auditor's Independence Declaration

### To the Directors of Minemet Recycling Group Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Minemet Recycling Group Pty Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M J Climpson  
Partner – Audit & Assurance

Melbourne, 2 October 2024

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**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

	Note	Consolidated 2024 \$	2023 \$
<b>Revenue</b>			
Revenue	4	59,547,088	57,935,854
Cost of goods sold		(29,331,420)	(28,207,583)
Gross profit		<u>30,215,668</u>	<u>29,728,271</u>
Other income		243,592	14,291
<b>Expenses</b>			
Freight costs		(4,848,200)	(8,799,381)
Employee benefits expenses		(6,369,551)	(6,400,562)
Depreciation and amortisation		(1,995,260)	(1,906,119)
Property cost		(615,904)	(621,708)
Other expenses		(4,628,073)	(4,512,236)
Finance costs		(745,903)	(953,188)
<b>Profit before income tax expense</b>		11,256,369	6,549,368
Income tax expense	5	(2,897,315)	(1,096,158)
<b>Profit after income tax expense for the year attributable to the owners of Minemet Recycling Group Pty Ltd and Controlled Entities</b>		8,359,054	5,453,210
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(1,681)	(22,964)
Other comprehensive income for the year, net of tax		(1,681)	(22,964)
<b>Total comprehensive income for the year attributable to the owners of Minemet Recycling Group Pty Ltd and Controlled Entities</b>		<u>8,357,373</u>	<u>5,430,246</u>

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

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	Consolidated 2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,575,040	797,757
Trade and other receivables	7	2,843,025	7,987,277
Inventories	8	4,187,030	6,397,248
Total current assets		<u>9,605,095</u>	<u>15,182,282</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	5,604,913	4,177,530
Right-of-use assets	9	10,013,960	9,867,012
Goodwill	11	7,604,652	7,593,324
Deferred tax	12	1,594,022	1,170,362
Total non-current assets		<u>24,817,547</u>	<u>22,808,228</u>
<b>Total assets</b>		<u>34,422,642</u>	<u>37,990,510</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	3,191,735	4,727,730
Contract liabilities	14	407,841	434,204
Borrowings	15	-	1,394,827
Lease liabilities	16	1,955,194	1,776,869
Income tax payables		2,695,582	4,311,290
Employee benefits	17	549,995	742,943
Total current liabilities		<u>8,800,347</u>	<u>13,387,863</u>
<b>Non-current liabilities</b>			
Lease liabilities	16	8,220,014	7,762,433
Employee benefits	17	35,063	27,369
Total non-current liabilities		<u>8,255,078</u>	<u>7,789,802</u>
Total liabilities		<u>17,055,425</u>	<u>21,177,665</u>
Net assets		<u>17,367,217</u>	<u>16,812,845</u>
<b>Equity</b>			
<b>Issued capital</b>			
Reserve	18	1	1
Retained profits	19	8,411	10,092
		<u>17,358,805</u>	<u>16,802,752</u>
Total equity		<u>17,367,217</u>	<u>16,812,845</u>

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

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Foreign currency Reserves</b> \$	<b>Retained profits</b> \$	<b>Total equity</b> \$
Balance at 1 July 2022	1	33,056	11,349,542	11,382,599
Profit after income tax expense for the year	-	-	5,453,210	5,453,210
Other comprehensive income for the year, net of tax	-	(22,964)	-	(22,964)
Total comprehensive income for the year	-	(22,964)	5,453,210	5,430,246
Balance at 30 June 2023	1	10,092	16,802,752	16,812,845

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Foreign currency Reserves</b> \$	<b>Retained profits</b> \$	<b>Total equity</b> \$
Balance at 1 July 2023	1	10,092	16,802,752	16,812,845
Profit after income tax expense for the year	-	-	8,359,054	8,345,476
Other comprehensive income for the year, net of tax	-	(1,681)	-	(1,681)
Total comprehensive income for the year	-	(1,681)	8,359,054	8,343,795
Transactions with owners in their capacity as owners: Dividends Paid			(7,803,001)	(7,803,001)
Balance at 30 June 2024	1	8,411	17,358,805	17,367,217

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

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

	Note	Consolidated 2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		65,811,994	60,053,645
Payments to suppliers (inclusive of GST)		<u>(46,221,182)</u>	<u>(52,902,094)</u>
		19,590,812	7,151,551
Interest and other finance costs paid		(745,903)	(953,188)
Income taxes paid		<u>(4,936,683)</u>	<u>(844,150)</u>
Net cash from operating activities	30	<u>13,908,226</u>	<u>5,354,213</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	10	(2,140,305)	(1,103,231)
Proceeds from disposal of property, plant and equipment		<u>785</u>	<u>43,984</u>
Net cash used in investing activities		<u>(2,139,520)</u>	<u>(1,059,247)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(1,394,827)	(2,634,966)
Repayment of lease liabilities		<u>(793,595)</u>	<u>(1,411,667)</u>
Dividends paid		<u>(7,803,001)</u>	<u>-</u>
Net cash used in financing activities		<u>(9,991,423)</u>	<u>(4,046,633)</u>
Net increase in cash and cash equivalents		1,777,283	248,333
Cash and cash equivalents at the beginning of the financial year		797,757	549,424
Effects of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>2,575,040</u></u>	<u><u>797,757</u></u>

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

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 1. General information**

The financial statements cover Minemet Recycling Group Pty Ltd and Controlled Entities as a consolidated entity consisting of Minemet Recycling Group Pty Ltd and Controlled Entities (collectively "consolidated entity" or "the Group") at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Minemet Recycling Group Pty Ltd and Controlled Entities' functional and presentation currency.

Minemet Recycling Group Pty Ltd and Controlled Entities is a private company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1212, 1 Queens Road  
Melbourne 3004 VIC

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policy information**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

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.

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

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

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Minemet Recycling Group Pty Ltd and Controlled Entities ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Minemet Recycling Group Pty Ltd and Controlled Entities together are referred to in these financial statements as the 'consolidated entity'.

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 2. Material accounting policy information (continued)**

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Foreign currency translation**

The financial statements are presented in Australian dollars, which is Minemet Recycling Group Pty Ltd and Controlled Entities' functional and presentation currency.

*Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

**Note 2. Material accounting policy information (continued)**

*Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of ferrous and non-ferrous metals, i.e. which is generally at the time of the goods passing of ship rail.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 2. Material accounting policy information (continued)**

**Trade and other receivables**

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Property improvement	40 years
Plant and equipment	1.5 - 10 years
Motor vehicles	4 - 6 years
Office furniture and equipment	1.5 - 50 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**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.

**Intangible assets**

*Goodwill*

Goodwill arises on the acquisition of a business in Minemet Iron & Allied Metal entities and was allocated to trading of ferrous and non-ferrous metal. 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.

**Note 2. Material accounting policy information (continued)**

**Impairment of Goodwill**

Goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the Goodwill's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are interest free, unsecured and are usually paid within 60 days of recognition.

**Contract liabilities**

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**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.

**Borrowing costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Note 2. Material accounting policy information (continued)**

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

*Reclassification*

Certain comparative figures have been reclassified to conform to the current year presentation.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Goodwill*

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. 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.

*Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates (Australia and New Zealand). Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

*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.

*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.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 4. Revenue**

	<b>Consolidated</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Trading of metal	<u>59,547,088</u>	<u>57,935,854</u>

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Trading of metal</b>		
<i>Goods transferred at a point in time</i>		
India	16,028,983	5,714,290
Indonesia	15,003,663	24,666,957
Malaysia	11,993,290	5,627,797
China	7,267,617	7,262,249
Netherlands	3,332,299	896,631
Others	5,921,236	13,767,930
	<u>59,547,088</u>	<u>57,935,854</u>

**Note 5. Income tax expense**

	<b>Consolidated</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Current tax	3,356,448	1,848,299
Deferred tax – origination and reversal of temporary differences	(423,661)	(752,141)
Adjustment to deferred tax balances as a result of change in statutory tax rate	(35,472)	-
Aggregate income tax expense	<u>2,897,315</u>	<u>1,096,158</u>

Deferred tax included in income tax expense comprises:

Decrease/(increase) in deferred tax assets (note 12)	<u>(423,661)</u>	<u>(752,141)</u>
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*Numerical reconciliation of income tax expense and tax at the statutory rate*

Profit before income tax expense	<u>11,256,369</u>	<u>6,549,368</u>
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Tax at the statutory tax rate of 30%	3,376,911	1,964,810
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Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Permanent differences	<u>(7,242)</u>	<u>262,547</u>
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Difference in overseas tax rates	3,365,596	2,227,357
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Adjustment to deferred tax balances as a result of change in statutory tax rate	(47,020)	17,337
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Adjustment for remeasurement of deferred taxes	(35,472)	-
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Others	-	(1,069,996)
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	<u>(389,862)</u>	<u>(78,540)</u>
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Income tax expense	<u>2,897,315</u>	<u>1,096,158</u>
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**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
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**Note 6. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash on hand	15,011	64,189
Cash at bank	2,560,029	733,568
	<u>2,575,040</u>	<u>797,757</u>

**Note 7. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	2,615,076	3,857,489
Related party receivables	-	3,603,679
Other receivables	227,949	526,109
	<u>2,843,025</u>	<u>7,987,277</u>

All but one debtor \$243,752 (which has been expensed as bad debt) trade and other receivables were not yet due as at 30 June 2024 and 30 June 2023.

During the year ended 30 June 2024, \$243,752 has been written off as bad debt (2023: \$nil).

**Note 8. Inventories**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Ferrous metal	2,552,006	4,191,064
Non-ferrous metal	1,635,024	2,206,184
	<u>4,187,030</u>	<u>6,397,248</u>

During the year ended 30 June 2024, \$nil of inventory was written off (2023: \$nil).

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
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**Note 9. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Land and buildings - right-of-use	9,514,244	9,775,876
Less: Accumulated depreciation	<u>(4,657,029)</u>	<u>(4,474,634)</u>
	<u>4,857,214</u>	<u>5,855,315</u>
Plant and equipment - right-of-use	5,620,042	5,887,383
Less: Accumulated depreciation	<u>(876,725)</u>	<u>(1,898,797)</u>
	<u>4,743,317</u>	<u>3,988,586</u>
Motor vehicles - right-of-use	598,057	926,754
Less: Accumulated depreciation	<u>(184,628)</u>	<u>(349,570)</u>
	<u>413,429</u>	<u>577,184</u>
	<u><u>10,013,960</u></u>	<u><u>9,867,012</u></u>

Additions to the right-of-use assets during the year were \$2,636,906 (2023:\$2,434,988).

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between 5 to 7 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases plant and equipment under agreements of between 1 to 4 years.

The consolidated entity leases office equipment under agreements of less than 1 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

*Reconciliations*

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

<b>Consolidated</b>	Land and Buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	5,855,315	2,977,831	682,221	9,515,367
Additions	156,656	2,278,332	-	2,434,988
Disposals		(704,698)	(55,015)	(759,713)
Exchange differences	5,596	254	631	6,481
Depreciation expense	<u>(716,325)</u>	<u>(563,133)</u>	<u>(50,653)</u>	<u>(1,330,111)</u>
Balance at 30 June 2023	5,301,242	3,988,586	577,184	9,867,010
Additions	153,566	2,483,340	-	2,636,906
Expiry of leases	-	(1,196,663)	(39,270)	(1,235,933)
Exchange differences	65,554	(17,916)	(33,667)	13,971
Depreciation expense	<u>(663,148)</u>	<u>(514,031)</u>	<u>(90,817)</u>	<u>(1,267,996)</u>
Balance at 30 June 2024	<u><u>4,857,214</u></u>	<u><u>4,743,317</u></u>	<u><u>413,429</u></u>	<u><u>10,013,960</u></u>

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
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**Note 10. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Plant and equipment - at cost	13,812,075	10,362,886
Less: Accumulated depreciation	<u>(9,139,122)</u>	<u>(7,080,622)</u>
	4,672,952	3,282,264
Motor vehicles - at cost	1,453,839	1,327,174
Less: Accumulated depreciation	<u>(1,116,479)</u>	<u>(1,007,462)</u>
	337,360	319,712
Land and building - at cost	900,636	860,894
Less: Accumulated depreciation	<u>(390,515)</u>	<u>(354,129)</u>
	510,121	506,765
Office and equipment - at cost	390,530	344,455
Less: Accumulated depreciation	<u>(306,050)</u>	<u>(275,666)</u>
	84,480	68,789
	<u>5,604,913</u>	<u>4,177,530</u>

*Reconciliations*

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

<b>Consolidated</b>	Plant and equipment \$	Motor vehicles \$	Land and building \$	Office and equipment \$	Total \$
Balance at 1 July 2022	2,992,457	158,319	443,042	87,176	3,680,994
Additions	767,226	233,645	94,869	7,491	1,103,231
Disposals	(31,371)	(12,613)	-	-	(43,984)
Exchange differences	11,312	401	1,415	170	13,298
Depreciation expense	<u>(457,360)</u>	<u>(60,038)</u>	<u>(32,562)</u>	<u>(26,048)</u>	<u>(576,008)</u>
Balance at 30 June 2023	3,282,264	319,714	506,765	68,788	4,177,531
Additions	1,971,766	86,034	37,556	44,949	2,140,305
Disposals	-	(785)	-	-	(785)
Exchange differences	9,704	1,511	1,575	182	12,973
Depreciation expense	<u>(590,784)</u>	<u>(69,114)</u>	<u>(35,775)</u>	<u>(29,439)</u>	<u>(725,112)</u>
Balance at 30 June 2024	<u>4,672,952</u>	<u>337,360</u>	<u>510,121</u>	<u>84,480</u>	<u>5,604,913</u>

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
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**Note 11. Goodwill**

	<b>Consolidated</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	<u>7,604,652</u>	<u>7,593,32</u>

*Reconciliations*

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

<b>Consolidated</b>	Total
	\$
Balance at 30 June 2023	7,593,324
Exchange differences	<u>11,328</u>
Balance at 30 June 2024	<u><u>7,604,652</u></u>

*Impairment testing*

For the purpose of annual impairment testing, goodwill is allocated to the following cash generating units:

	<b>Consolidated</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Segment</b>		
Australia	6,515,158	6,515,158
New Zealand	<u>1,089,494</u>	<u>1,078,166</u>
	<u>7,604,652</u>	<u>7,593,324</u>
	2024	2023
	%	%

Growth rate – Australia and New Zealand

6.0%      5.0%

Discount rate (pre-tax) – Australia and New Zealand

18.0%      15.0%

*Growth rates*

The growth rates reflect the estimated long-term average growth rates for the product line

*Discount rates*

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each segment.

**Cash flow assumptions**

*Trading of scrap metal segment*

Management's key assumptions include stable profit margins, based on past experience in this market. Management believes this is the best available input for forecasting this market. Cash flow projections reflect stable profit margins achieved immediately before the most recent budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
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**Note 11. Goodwill (continued)**

The estimate of recoverable amount for the consulting segment is particularly sensitive to the discount rate. Management is not currently aware of any reasonably possible changes to key assumptions that would cause the carrying amount to exceed its recoverable amount.

**Note 12. Deferred tax**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Deferred tax asset comprises temporary differences attributable to:		
Tax losses	259,921	259,921
Employee provisions	184,271	188,792
Blackhole expenditure	339,294	349,607
Unrealised foreign exchange losses	25,147	59,940
Prepayment	(6,188)	(11,250)
Property, plant and equipment and leases	791,110	322,224
Others	467	1,128
	<u>1,594,022</u>	<u>1,170,362</u>
Deferred tax asset		
	<u>1,594,022</u>	<u>1,170,362</u>
<i>Movements:</i>		
Opening balance	1,170,362	418,221
Credited/(charged) to profit or loss (note 5)	423,661	752,141
	<u>1,594,022</u>	<u>1,170,362</u>
Closing balance		
	<u>1,594,022</u>	<u>1,170,362</u>

**Note 13. Trade and other payables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	3,157,874	4,040,674
Accruals and other payables	33,861	687,056
	<u>3,191,736</u>	<u>4,727,730</u>

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
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**Note 14. Contract liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Contract liabilities	407,841	434,204
	<u>407,841</u>	<u>434,204</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	434,204	1,597,395
Payments received in advance	407,841	434,204
Transfer to revenue - performance obligations satisfied in previous periods	(434,204)	(1,597,395)
	<u>407,841</u>	<u>434,204</u>

*Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$434,204 as at 30 June 2024 (\$1,597,395 as at 30 June 2023) and is expected to be recognised as revenue in the coming 12 months.

**Note 15. Borrowings**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Bank loans	-	920,158
Vendor finance	-	474,669
	<u>-</u>	<u>1,394,827</u>
<i>Non-current liabilities</i>		
Vendor finance	-	-
	<u>-</u>	<u>1,394,827</u>

Refer to note 21 for further information on financial instruments.

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 15. Borrowings (continued)**

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Total facilities		
Bank loan	-	3,028,425
Vendor finance	-	474,669
	<u>-</u>	<u>3,503,094</u>
Used at the reporting date		
Bank loan	-	920,158
Vendor finance	-	474,669
	<u>-</u>	<u>1,394,827</u>
Unused at the reporting date		
Bank loan	-	2,108,267
Vendor finance	-	-
	<u>-</u>	<u>2,108,267</u>

Other principal features of the Group's borrowings are as follows:

*Bank loan*

- Overdraft facility - line fee 1.12% + 3.28%, payable quarterly; operating leverage ratio not greater than 2.3; debt service cover ratio at least 1.75; borrowing base not greater than 0.99; and capital adequacy no less than 0.2
- Trade finance facility - line fee of 0.9% + 1.5%, payable quarterly; operating leverage ratio not greater than 2.3; debt service cover ratio at least 1.75; borrowing base not greater than 0.99; and capital adequacy no less than 0.2
- Equipment finance facility - interest rate is determined by the financier and notified by the borrow from time to time; operating leverage ratio not greater than 2.3; debt service cover ratio at least 1.75; borrowing base not greater than 0.99; and capital adequacy no less than 0.2

*Vendor finance*

- The vendor finance is interest free, unsecured and is subject to monthly repayment to March 2024.

**Breach of a loan agreement**

There were no breaches of financial covenant during the years ended 30 June 2024 and 30 June 2023.

**Note 16. Lease liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liabilities	<u>1,955,194</u>	<u>1,776,869</u>
<i>Non-current liabilities</i>		
Lease liabilities	<u>8,220,014</u>	<u>7,762,433</u>
	<u><u>10,175,208</u></u>	<u><u>9,539,302</u></u>

Refer to note 21 for further information on financial instruments.

The interest expenses charged for lease liabilities are as follows:

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
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**Note 16. Lease liabilities (continued)**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Interest expenses	<u>544,501</u>	<u>475,363</u>

**Note 17. Employee benefits**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	314,503	406,769
Long service leave	126,762	171,950
Other payroll liabilities	<u>108,730</u>	<u>164,224</u>
	549,995	742,943
<i>Non-current liabilities</i>		
Long service leave	<u>35,063</u>	<u>27,369</u>
	<u>585,058</u>	<u>770,312</u>

*Amounts not expected to be settled within the next 12 months*

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

**Note 18. Issued capital**

	<b>2024</b>	<b>2023</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Shares</b>	<b>Shares</b>	<b>2024</b>	<b>2023</b>
			<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>41,000,000</u>	<u>41,000,000</u>	<u>1</u>	<u>1</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 18. Issued capital (continued)**

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from 30 June 2024 to the date of the annual report (30 September 2024).

**Note 19. Reserve**

Foreign currency reserve

<b>Consolidated</b>	
<b>2024</b>	<b>2023</b>
\$	\$
<u>8,411</u>	<u>10,092</u>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

**Note 20. Dividends**

Dividends paid during the financial year were as follows:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Infragreen Pty Ltd (60% shareholding)	2,400,000	-
Hugh Mckee (40% shareholding)	<u>5,403,001</u>	-
Final dividend for the year	<u>7,803,001</u>	-

**Note 21. Financial instruments**

***Financial risk management objectives***

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Director and senior management (collectively 'the management'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the management on a monthly basis.

***Market risk***

***Foreign currency risk***

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

**Note 21. Financial instruments (continued)**

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the consolidated entity has a combination of natural hedges and hedging instruments. These strategies are hedging highly probable forecasted cash flows for the ensuing financial year. The management has a risk management policy to hedge between 80% and 90% foreign currency transactions for the subsequent 3 months.

*Price risk*

The consolidated entity is not exposed to any significant price risk.

*Interest rate risk*

The consolidated entity's exposure to interest risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on classes of financial assets and financial liabilities, arises from working capital facilities including overdraft and trade finance which are subject to variable interest rates. The amounts subject to cash flow interest rate risk are in the statement of financial position at carrying amounts of these items. Long term borrowings are at fixed interest rate. The consolidated entity does not hedge against its interest risks.

*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The consolidated entity has a credit risk exposure with one debtor, which as at 30 June 2024 owed the consolidated entity \$605,675 (20% of trade receivables) (2023: \$0 (0% of trade receivables)).

This balance was within its terms of trade and no impairment was made as at 30 June 2024 (2023: nil).

There are no guarantees against this receivable, but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

*Liquidity risk*

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.



**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 23. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	182,240	135,000
<i>Other services - Grant Thornton Australia Limited</i>		
Tax services	46,500	34,450
	<u>228,740</u>	<u>165,450</u>

**Note 24. Contingent liabilities**

The Group and the Company had no contingent liabilities as at 30 June 2024 and 30 June 2023.

**Note 25. Related party transactions**

*Parent entity*

Minemet Recycling Group Pty Ltd and Controlled Entities is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 28.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 22 and amount due from a director are set out as follows:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Amount due from a director	-	3,603,679

The amount due are interest free unsecured and repayable on demand.

*Transactions with related parties*

Transactions between related parties are on normal commercial terms and conditions no more favourable to other parties unless otherwise stated. There is no requirement for transactions and balances between the entities within the consolidated entity to be disclosed.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 26. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	Parent	
	2024	2023
	\$	\$
Profit/(loss) after income tax	3,803,001	(1,063,437)
Total comprehensive income	<u>3,803,001</u>	<u>(1,063,437)</u>

*Statement of financial position*

	Parent	
	2024	2023
	\$	\$
Total current assets	44,172	44,172
Total assets	<u>44,272</u>	<u>44,272</u>
Total current liabilities	44,683	44,683
Total liabilities	<u>44,683</u>	<u>44,683</u>
Equity		
Issued capital	1	1
Retained profits	(411)	(411)
Total equity	<u>(410)</u>	<u>(410)</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 27. Deed of cross guarantee**

Pursuant to ASIC Corporations (Wholly owned Companies) *Instrument 2016/785*, the wholly owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgment of financial reports, and Directors' reports.

The subsidiaries subject to the Deed are:

- Minemet Australasia Pty Ltd

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 27. Deed of cross guarantee (continued)**

The subsidiaries entered into the Deed of Cross Guarantee with each other and Minemet Recycling Group Pty Ltd on 28 June 2024.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instruments, and as there are no other parties to the deed of cross guarantee that are controlled by Minemet Recycling Group Pty Ltd, they also represent the 'Extended Closed Group'.

A consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the Company and controlled entity which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2024 is set out as follows:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Revenue	59,557,939	57,442,876
Other income	4,994,534	1,091,707
Cost of goods sold	(58,487,858)	(56,266,755)
Other expenses	(2,204,009)	(3,183,325)
Cost of goods sold	(55,771)	(147,939)
Finance cost		
<b>Profit before income tax expense</b>	<b>3,804,835</b>	<b>1,063,437</b>
Income tax expense	(56,089)	187,452
<b>Profit after income tax expense</b>	<b>3,748,746</b>	<b>(875,985)</b>
<i>Summary of movements in retained earnings</i>		
<b>Retained earnings at the beginning of the financial year</b>	<b>4,234,305</b>	<b>5,110,290</b>
Profit for the period	3,748,746	(875,985)
Dividends provided for or paid	(7,803,001)	-
<b>Retained earnings at the end of financial year</b>	<b>180,051</b>	<b>4,234,305</b>

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 27. Deed of cross guarantee (continued)**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,373,356	80,076
Trade and other receivables	2,150,537	3,355,732
Other receivables	378,937	3,840,681
Total current assets	<u>4,902,830</u>	<u>7,276,489</u>
<b>Non-current assets</b>		
Property, plant and equipment	34,362	71,192
Goodwill	12,128,939	12,128,939
Deferred tax	749,802	805,891
Total non-current assets	<u>12,913,103</u>	<u>13,006,022</u>
<b>Total assets</b>	<u>17,815,933</u>	<u>20,282,511</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	17,389,017	15,209,764
Borrowings	-	474,669
Provisions	166,656	277,067
Total current liabilities	<u>17,555,673</u>	<u>15,961,501</u>
<b>Non-current liabilities</b>		
Provision	80,010	86,705
Total non-current liabilities	<u>80,010</u>	<u>86,705</u>
<b>Total liabilities</b>	<u>17,635,683</u>	<u>16,048,206</u>
<b>Net assets</b>	<u>180,052</u>	<u>4,234,306</u>
<b>Equity</b>		
<b>Issued capital</b>	1	1
Retained profits	180,051	4,234,305
<b>Total equity</b>	<u>180,052</u>	<u>4,234,306</u>

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Notes to the financial statements**  
**30 June 2024**

**Note 28. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
Minemet Australasia Pty Ltd	Australia	100.00%	100.00%
Allied Metal Recyclers Pty Ltd	Australia	100.00%	100.00%
Minemet Iron & Metal Limited (Trading as Annex Metals)	New Zealand	100.00%	100.00%
Allied Waste Pty Ltd	Australia	100.00%	100.00%

**Note 29. Events after the reporting period**

On 1 August 2024, the entity acquired Highett Metal Pty Ltd, located in Melbourne, Victoria. Nature of the acquisition was a share purchase and consideration paid \$ 9,500,000.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 30. Reconciliation of profit after income tax to net cash from operating activities**

	Consolidated	
	2024 \$	2023 \$
Profit after income tax expense for the year	8,359,054	5,453,210
Adjustments for:		
Depreciation and amortisation	1,995,260	1,906,119
Change in operating assets and liabilities:		
Decrease/(increase) in inventories	2,210,218	3,360,511
Decrease/(increase) in deferred tax assets	(423,661)	-
Increase/(decrease) of trade and other receivables and other assets	5,144,253	(1,984,666)
Increase/(decrease) in trade and other payables	(1,535,995)	(2,537,943)
Increase/(decrease) in contract liabilities	(26,363)	(1,163,191)
Increase/(decrease) in provision for income tax	(1,615,708)	252,008
Increase/(decrease) in employee benefits	(198,832)	68,165
Net cash from operating activities	<u>13,908,226</u>	<u>5,354,213</u>

**Minemet Recycling Group Pty Ltd and Controlled Entities**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Hugh Mckee  
Director

2 October 2024

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**Grant Thornton Audit Pty Ltd**

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## Independent Auditor's Report

### To the Members of Minemet Recycling Group Pty Ltd

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Minemet Recycling Group Pty Ltd (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2024, the 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, and notes to the consolidated financial statements, including material accounting policy information and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 *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.

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### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, 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 Group 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*. The Directors' responsibility also includes 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### 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 the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M J Climpson  
Partner – Audit & Assurance  
Melbourne, 2 October 2024