MOBILE PIPE EXTRUSION

Mobile Pipe Solutions Ltd

(ACN 628 231 970)

(Previously named Polyline Pipe Systems Ltd)

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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CORPORATE DIRECTORY

EXECUTIVE DIRECTORS
Ian Dorrington
Mark Gwynne
Stewart Findlay
Suraj Sanghani

COMPANY SECRETARY
Suraj Sanghani

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5 Spring St,
Perth WA 6000

SHARE REGISTRAR
Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

BANKERS
National Australia Bank
197 St Georges Terrace
Perth WA 6000

DIRECTORS' REPORT

The directors of Mobile Pipe Solutions Ltd (**MPS** or the **Company**) for the financial year ended 30 June 2023.

INFORMATION ON DIRECTORS

The names and particulars of the directors of the Company during or since the end of the year are as follows. Directors have been in office for the whole period unless otherwise stated.

Ian Dorrington	Managing Director	
Experience	As an investment professional, Mr Dorrington has accumulated significant advisory experience across many institutions, management and corporate Boards over the past three decades. This has been in a variety of market sectors including mining, oil & gas, infrastructure. He is an experienced leader, with over 10 years' as a Board member and Managing Director. Mr Dorrington has sound knowledge of the processes behind the investment decision at both private and corporate client level. Moreover, his background has delivered him solid deal negotiation abilities and exceptionally strong capital markets knowledge. He holds a Bachelor of Business degree from Curtin University in Western Australia.	
Directorships of listed companies held within the last 3 years	None	
Interest in Shares, Options and performance rights	Fully Paid Ordinary Shares (indirect)*	2,368,182
	Performance rights (indirect)*	3,000,000
	Unlisted options exercisable at 25c each before 30 November 2024 (indirect)*	1,250,000
	Unlisted options exercisable at 35c each before 30 November 2024 (indirect)*	1,250,000
	* securities are held indirectly by entities associated with Mr Dorrington.	
Mark Gwynne	Executive Director	
Experience	Mr Gwynne has 32 years' experience in the mining and exploration industry and has held senior positions with mining and mining services companies. Mr Gwynne has 20 years of corporate experience with ASX listed companies, unlisted public and private companies, predominantly in the natural resources sector. He has a strong mining industry network of contacts.	
Directorships of listed companies held within the last 3 years	None	
Interest in Shares, Options and performance rights	Fully Paid Ordinary Shares (direct)	1
	Fully Paid Ordinary Shares (indirect)*	2,847,727
	Performance rights (indirect)*	3,000,000
	Unlisted options exercisable at 25c each before 30 November 2024 (indirect)*	1,250,000
	Unlisted options exercisable at 35c each before 30 November 2024 (indirect)*	1,250,000
	** securities are held indirectly by Mr Gwynne's Spouse*	
Stewart Findlay	Executive Director	
Experience	Mr Findlay has over 21 years' experience in natural resources financing, gained in senior roles with Macquarie Bank Limited's Metals & Energy Capital team and NAB's Natural Resources Institutional Banking team. He has significant experience in project and corporate finance, structured asset finance, commodity markets and working capital management, having been responsible for originating, structuring and managing such facilities for junior, mid-tier and multinational participants in the natural resources sector. He holds a Bachelor of Commerce degree from the University of New South Wales.	
Directorships of listed companies held within the last 3 years	West African Resources Ltd — May 2020 to present Nico Resources Ltd — June 2023 to present	
Interest in Shares, Options and performance rights	Fully Paid Ordinary Shares (direct)	112,500

	Fully Paid Ordinary Shares (indirect)*	1,099,218
	Performance rights (indirect)*	3,000,000
	Unlisted options exercisable at 25c each before 30 November 2024 (indirect)*	1,250,000
	Unlisted options exercisable at 35c each before 30 November 2024 (indirect)*	1,250,000
	** securities are held indirectly by an entity associated with Mr Findlay*	
Suraj Sanghani	Executive Director, Chief Financial Officer and Company Secretary	
Experience	He has over 15 years' experience in the assurance, financial and corporate governance professions, including roles with EY and numerous ASX listed and unlisted companies operating in Australia and overseas. He has significant experience in managing companies including strategic planning, marketing, fundraising and financial management. He first joined the Company as a consultant in January 2019. He is a member of the Institute of Chartered Accountants in Australia and New Zealand and the Governance Institute of Australia. He holds a Bachelor of Commerce degree from the University of Western Australia.	
Directorships of listed companies held within the last 3 years	None	
Interest in Shares, Options and performance rights	Fully Paid Ordinary Shares (Indirect)*	2,663,636
	Performance rights (Indirect)*	3,000,000
	Unlisted options exercisable at 25c each before 30 November 2024 (indirect)*	1,250,000
	Unlisted options exercisable at 35c each before 30 November 2024 (indirect)*	1,250,000
	** securities are held indirectly by an entity associated with Mr Sanghani*.	

COMPANY SECRETARY

Suraj Sanghani

Details of his experience are included in his Director profile above.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activity of the Company during the period was finalising the development of its mobile HDPE pipe producing technology. No significant change in the nature of these activities occurred during the year.

OPERATING RESULTS

The loss of the Company after providing for income tax for the period ended 30 June 2023 amounted to $1,838,512 (30 June 2022: $1,859,889).

REVIEW OF OPERATIONS

The following significant transactions and events occurred during the reporting period:

CORPORATE

On 1 July 2022, the Company issued 2,000,000 employee options exercisable at $0.25 each on or before 30 November 2024.

On 31 July 2022, a total of 1,750,000 options exercisable at $0.25 each expired unexercised.

On 14 November 2022, the Company completed a capital raising of $150,000 through the issue of 1,2000,000 ordinary shares.

On 31 January 2023, the Company completed a capital raising of $300,000 through the issue of 2,400,000 ordinary shares.

On 9 February 2023, the Company completed a capital raising of $1,000,000 through the issue of 8,000,000 ordinary shares.

On 31 May 2023, the Company completed a capital raising of $312,500 through the issue of 2,500,000 ordinary shares.

The Company continues to defend a legal claim in the Supreme Court of Western Australia from a former director of Polyline Piping Systems Pty Ltd. The action is being defended. The Company has filed a counter claim. The Company understands that the claim will be proceeding to trial. No provision for any liability has been made in these financial statements. A reliable estimate cannot be made of any obligation.

OPERATIONAL INFORMATION

OPERATIONAL REVIEW

The company continues to work on the enhancement of our product range, extending our production capability to incorporate smaller Australian Standards pipe sizes of 280mm and 250mm. This is in response to market demand, with pipe sizes smaller than this able to be coiled in longer lengths for transportation. This means the current MPX630 now has a production range from 250mm to 630mm.

The operating production rate has also been increased with further modifications to the extruder. Previously our production rates were restricted due to the design limitations of the extruder and cooling processes. By increasing extrusion production rates, site costs are reduced allowing or more competitive pricing and increased profit margins. This will benefit not only the company's economic performance, but also help reduce our production period on site, which will add to our attractiveness for future customers.

MPS has also confirmed the ability to produce co-extruded pipe to meet market demand particularly in the mining sector. Co-extrusion allows for a thin layer of white HDPE coating on the outside of pipe to reduce expansion and contraction of pipelines due to temperature fluctuations and is particularly applicable to above ground pipelines. This coating is not restricted to white and is only limited by the availability of coloured resin.

MPS has also confirmed the ability of the current extruder to produce thick wall pipe which we had previously been somewhat restricted on and can now produce up to PN 20 pipe on the vast majority of pipe sizes.

The design of future additional extruders is well underway, with the Company now working with an engineering group who can facilitate final structural design, and costing of the next generation of mobile pipe extruders. Significant design improvements have been identified to increase productivity and allow greater levels of monitoring and preventative maintenance.

Compliance

MPS' Quality, Safety and Environmental management system accreditations were re-certified to meet ISO 9001, ISO 14001 and ISO 45001 respectively during our external audit. These standards are an important component that MPS must be fully compliant with in order to conduct business with prospective blue-chip customers.

Environmental

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory. Despite this the Company has had no environmental incidents.

Marketing & Promotion

On the marketing front, MPS has ramped up its engagement with HDPE industry participants, and in addition, the Board conducted numerous on-site demonstrations of the MPX 630 at MPS' Jandakot facility, including times when the unit was in production for various testing purposes. These demonstrations were attended by representatives from a range of potential customers, including major mining companies and emerging companies with future HDPE pipe requirements.

The feedback from these site visits has been overwhelmingly positive, as prospective customers have been able to see the MPX 630 in operation for the first time and gain an appreciation of our advanced technology utilised in producing HDPE pipe. The Board is confident that as a result of these demonstrations, industry uptake of product suite will continue to rise.

The company also updated its Capability Statement to incorporate the changed name, expansion of product range now available and to better convey the benefits of on-site extrusion over traditional short length pipe, with immediate results in terms of feedback from industry participants and enquiries / requests for pricing.

Company Name Change.

As previously advised to shareholders, the company underwent the process of changing the name of the company from Polyline Pipe Systems Ltd to Mobile Pipe Solutions Ltd in June 2023. The new name better reflects the intent of the business, and differentiates us from the conventional pipe producing companies, which is an important piece in the marketing and promotion phase. All marketing documents, corporate video, website etc have been updated to reflect the name change of the company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than those described above, there are no significant changes in the Company's state of affairs during the financial year.

SUBSEQUENT EVENTS

On 8 August 2023, the Company completed a capital raising of $12,500 through the issue of 100,000 ordinary shares.

On 30 August 2023, the Company completed a capital raising of $250,000 through the issue of 2,000,000 ordinary shares.

On 9 October 2023, the Company completed a capital raising of $17,500 through the issue of 140,000 ordinary shares.

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

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

SHARES UNDER OPTION

As at the date of this report, there is a total of 5,000,000 Director options exercisable at $0.25 each on or before 30 November 2024 5,000,000 Director options exercisable at $0.35 each on or before 30 November 2024 and 2,000,000 employee options exercisable at $0.25 each on or before 30 November 2024

PERFORMANCE RIGHTS

As at the date of this report, there are a total of 3,000,001 Class A performance rights, 4,500,000 Class B performance rights and, 5,999,999 Class C Performance rights. Each performance right will vest into one ordinary shares upon the achievement of certain Earnings before interest, taxes, depreciation and amortisation, milestones as follows: -

- Class A: The Company or Group achieving cumulative consolidated EBITDA of not less than $2 million during the period commencing on the date of issue of the Performance Rights and ending on the Expiry Date;

- Class B: The Company or Group achieving cumulative consolidated EBITDA of not less than $5 million during the period commencing on the date of issue of the Performance Rights and ending on the Expiry Date; and

- Class C: The Company or Group achieving cumulative consolidated EBITDA of not less than $10 million during the period commencing on the date of issue of the Performance Rights and ending on the Expiry Date.

The Performance Rights that have not vested by 28 February 2024 will lapse.

As at balance date the Directors determined that no performance rights had a likelihood of vesting to shares for the period ending 30 June 2023.

INDEMNITY AND INSURANCE PREMIUMS FOR DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001* every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The contracts of insurance contain confidentiality provisions that preclude disclosure of the premiums paid, the nature of the liability covered by the policies, the limit of liability and the name of the insurer.

MEETINGS OF DIRECTORS

The following table sets out the number of directors' meetings held during the period and the number of meetings attended by each director (while they were a director).

Director	**30 June 2023**	
	Eligible to Attend	**Attended**
Ian Dorrington	8	8
Stewart Findlay	8	8
Mark Gwynne	8	8
Suraj Sanghani	8	8

In the reporting period to 30 June 2023, the Company had not formed any separate committees.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the period ended 30 June 2023 has been received and is included on page 7 of the financial report.

NON-AUDIT SERVICES

There were no other non-audit services provided by the Company's auditor BDO Audit (WA) Pty Ltd.

This report of the Directors is signed in accordance with a resolution of the Board of Directors.

Mr Ian Dorrington
Managing Director

Perth
31 October 2023

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF MOBILE PIPE SOLUTIONS LTD (FORMERLY POLYLINE PIPE SYSTEMS LTD)

As lead auditor of Mobile Pipe Solutions Limited (formerly Polyline Pipe Systems Ltd) for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth

31 October 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 $	30 June 2022 $
Sales	**3**	-	875,748
Less costs of goods sold	**3**	-	(1,348,578)
Gross profit from trading		-	(472,830)
Other Income	**4**	724,839	692,413
Extruder expenses		(965,417)	(790,734)
Administration expenses		(336,699)	(452,464)
Depreciation and amortisation expense	8	(171,748)	(124,341)
Insurance expense		(90,808)	(78,273)
Professional services		(181,443)	(220,059)
Director and staff salary and fees		(798,825)	(413,601)
Interest expense		(6,000)	-
Share based payments expense	18	12,411	-
Loss before income tax expense		**(1,838,512)**	**(1,859,889)**
Income tax expense	2	-	-
Loss for the period		**(1,838,512)**	**(1,859,889)**
Loss is attributable to:			
Owners of Mobile Pipe Solutions Ltd		(**1,838,512**)	(1,859,889)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(1,838,512)**	**(1,859,889)**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30 Jun 2023 $	30 Jun 2022 $
CURRENT ASSETS			
Cash and cash equivalents	5	1,315,958	927,489
Trade and other receivables	6	32,885	186,249
Other current assets	7	36,309	118,608
TOTAL CURRENT ASSETS		1,385,152	1,232,346
NON CURRENT ASSETS			
Plant and equipment	8	940,621	1,112,369
TOTAL NON CURRENT ASSETS		940,621	1,112,369
TOTAL ASSETS		**2,325,773**	**2,344,715**
CURRENT LIABILITIES			
Trade and other payables	9	96,482	237,316
Other current liabilities	10	1,304,464	1,043,931
Provisions	11	13,870	28,849
Borrowings	12	-	60,061
TOTAL CURRENT LIABILITIES		1,414,816	1,370,157
TOTAL LIABILITIES		**1,414,816**	**1,370,157**
NET ASSETS		**910,957**	**974,558**
EQUITY			
Issued capital	13	8,874,494	7,111,994
Reserves	14	(3,036)	(15,448)
Accumulated losses	15	(7,960,500)	(6,121,988)
TOTAL EQUITY		**910,957**	**974,558**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 Jun 2023 $	30 Jun 2022 $
Cash Flows from Operating Activities			
Receipts from customers		718,400	1,411,906
Interest received		11,276	2,249
Interest paid		(6,000)	-
Payments to suppliers and employees		(2,037,645)	(3,212,884)
Net cash used in operating activities	19	(1,313,969)	(1,798,730)
Cash Flows from Investing Activities			
Payments for plant and equipment		-	(515,160)
Net cash used in investing activities		-	(515,160)
Cash Flows from Financing Activities			
Proceeds from issue of shares and options, net of transaction costs		1,762,500	1,654,301
Proceeds from borrowings		60,000	-
Repayment of borrowings		(120,061)	-
Net cash from financing activities		1,702,439	1,654,301
Net (decrease)/increase in cash held		388,469	(659,589)
Effects of exchange rate changes on cash		-	-
Cash and cash equivalents at beginning of year		927,489	1,587,078
Cash and cash equivalents at end of year		**1,315,958**	**927,489**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital $	Asset Acquisition Reserve $	Option Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2022	**7,111,994**	**(134,130)**	**118,682**	**(6,121,988)**	**974,558**
Loss attributable to members of the Company	-	-	-	(1,838,512)	(1,838,512)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,838,512)	(1,838,512)
Transaction with owners, directly in equity					
Promoter shares issued to directors	-	-	-	-	-
Shares issued during the year, net of costs	1,762,500	-	-	-	1,762,500
Options issued	-	-	12,411	-	12,411
Balance at 30 June 2023	**8,874,494**	**(134,130)**	**131,093**	**(7,960,500)**	**910,957**

	Issued Capital $	Asset Acquisition Reserve $	Option Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2021	**5,412,152**	**(134,130)**	**118,682**	**(4,262,099)**	**1,134,605**
Loss attributable to members of the Company	-	-	-	(1,859,889)	(1,859,889)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,859,889)	(1,859,889)
Transaction with owners, directly in equity					
Promoter shares issued to directors	-	-	-	-	-
Shares issued during the year, net of costs	1,699,842	-	-	-	1,699,842
Options issued	-	-	-	-	-
Balance at 30 June 2022	**7,111,994**	**(134,130)**	**118,682**	**(6,121,988)**	**974,558**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial report covers Mobile Pipe Solutions Ltd and its controlled entity (**MPS** or the **Company**) for the year from 1 July 2022 to 30 June 2023. The financial report was authorised for issue in accordance with a resolution of the directors on 31 October 2023.

MPS is a public unlisted company, incorporated and domiciled in Australia.

MPS is a for-profit entity for the purposes of preparing these financial statements.

The financial report is a general-purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Mobile Pipe Solutions Ltd, and all of its wholly owned subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the wholly owned subsidiaries is provided in note 24. The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group. Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "noncontrolling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.

b. Going concern

The Company has incurred a net loss of $1,826,101 (2022: $1,859,889) and experienced net operating cash outflows of $1,313,969 (2022: $1,798,730) for the year ended 30 June 2023.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under sophisticated investor placements, prospectus or alternatively, financial support from its shareholders and debt providers. This indicates a material uncertainty that may cast doubt about the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that the Company will continue as a going concern for the following reasons:
- The Company plans to conduct future capital raisings.
- The Company expects to secure commercial contracts in the near term.

As a result, the financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

c. Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

d. Application of New and Revised Accounting Standards

Changes in accounting policies on initial application of Accounting Standards

The Company has adopted all of the new and revised accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the financial year ended 30 June 2023.

New accounting standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended have been adopted by the company for the annual reporting period ended 30 June 2023. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. The Conceptual Framework has been adopted and does not have a material impact on the company's financial statements.

e. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

f. Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

g. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have an original maturity of three months or less.

h. Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. The estimated useful lives and depreciation method are reviewed at the end of each reporting period.

The depreciation rates used for each class of depreciable assets are:

Motor vehicles	25%
Leasehold improvements	20%
Manufacturing equipment	20%
Office equipment	20-33%
Mobile Extruder Plant	18-66%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Construction in progress is stated at cost, net of accumulated impairment losses if any.

i. Trade and Other Receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises the lifetime expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Company's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Company considers an event of default has occurred when a financial asset is more than 120 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Company. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Company writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

j. Impairment of Assets

The Company periodically reviews the carrying amounts of its assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

k. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

l. Provisions and Contingencies

Provisions are recognised when:
(i) the Company has a present legal or constructive obligation as a result of a past event;
(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(iii) a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. Contingent assets and contingent liabilities are not recognised unless the contingent liability is acquired as part of a business combination. Contingencies are disclosed in note 15. After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

• the amount that would be recognised as a provision; and
• the amount initially recognised less cumulative amortisation.

m. Contributed equity

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

n. Revenue and Other Income

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Company 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.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods and is billed on a per metre basis over time, which is generally at the time of delivery.

Other income
Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue have been satisfied.

NOTES TO THE FINANCIAL STATEMENTS
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Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts, and rebates.

o. Interest revenue

Interest revenue is recognised using the effective interest rate method.

p. Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value of options are measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and exercise restrictions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

q. Critical accounting judgements, estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimate of useful life of intangible and fixed assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its intangible and plant and equipment 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.

Share based payments

The Company measures the cost of equity-settled transactions with directors and other third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 18.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2. INCOME TAX EXPENSE

	30 Jun 2023 $	30 Jun 2022 $
The components of tax expense comprise:		
Current tax benefit / (expense)	-	-
Deferred tax benefit / (expense)	-	-
	-	-

The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:	**30 Jun 2023 $**	**30 Jun 2022 $**
Loss before tax	(1,838,512)	(1,859,889)
Prima facie tax (benefit) on loss from ordinary activities before income tax at 25% (2022:25%)	(459,628)	(464,972)
Add tax effect of:		
Non-Deductible expenses	5,936	193
Non-assessable research and development tax offset	(157,395)	(117,053)

NOTES TO THE FINANCIAL STATEMENTS
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Deferred tax balances not brought to account	89,244	(39,247)
Revenue losses not brought to account	521,843	612,079
Total income tax (income)/expense attributable to entity	-	-

	30 Jun 2023 $	30 Jun 2022 $
Deferred tax assets not recognised at 25% (2022: 25%)		
Provisions and Accruals	335,237	269,941
Capital raising costs	6,730	9,991
Carried forward revenue losses	1,091,786	1,026,448
Other	12,455	8,859
	1,446,207	1,315,238
Deferred tax liabilities not recognised at 25% (2022: 25%)		
Prepayments	494	22,569
	494	22,569

The tax benefits of the above deferred tax assets will only be obtained if:

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised;

(ii) The Company continues to comply with the conditions for deductibility imposed by law; and

(iii) No changes in income tax legislation adversely affects the company in utilising the benefits.

Tax consolidation

Mobile Pipe Solutions Limited and its wholly owned Australian subsidiary formed an income tax consolidated group with effect from 24 June 2022.

Change in future corporate tax rate:

3. REVENUE & COST OF GOODS SOLD

	30 Jun 2023 $	30 Jun 2022 $
Revenue from contracts with customers		
Sale of pipe	-	875,748
Costs of goods sold	-	(1,348,578)
	-	472,830

4. OTHER REVENUE

	30 Jun 2023 $	30 Jun 2022 $
Other Revenue		
Research and development tax offset	630,884	468,235
Sub lease income	77,777	217,195
Other revenue	16,178	6,983
	724,839	692,413

5. CASH AND CASH EQUIVALENTS

	30 Jun 2023 $	30 Jun 2022 $
Cash at bank and on hand	1,315,957	927,489
	1,315,957	927,489

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. TRADE AND OTHER RECEIVABLES

	30 Jun 2023 $	30 Jun 2022 $
Current		
Trade receivables	-	154,007
Reimbursement of expenses	24	3,924
Other receivables (ATO)(Loan to employee)	32,861	28,318
	32,885	186,249

The ageing of the receivables and allowance for expected credit losses provided for above are as follows: no allowances for expected credit losses were provided for and all amounts have been subsequently received.

	30 Jun 2023 $	30 Jun 2022 $
Current (Trade Receivables)		
Not Overdue	-	-
0 to 3 months overdue	-	154,007
	-	154,007

7. OTHER CURRENT ASSETS

	30 Jun 2023 $	30 Jun 2022 $
Rental bond	34,333	28,333
Prepayments	1,976	90,275
	36,309	118,608

8. PLANT AND EQUIPMENT

	30 Jun 2023 $	30 Jun 2022 $
Mobile extruder plant		
Net book value of assets acquired	18,506	18,506
Value of assets acquired	811,737	811,737
Accumulated depreciation	(254,612)	(110,748)
	575,631	719,495
Other manufacturing equipment		
Value of assets acquired	146,671	146,671
Accumulated depreciation	(54,073)	(31,003)
	92,598	115,668
Motor vehicles		
Net book value of assets	5,961	5,961
Accumulated depreciation	(4,350)	(3,815)
	1,611	2,146
Leasehold improvements		
Value of assets acquired	1,658	1,658
Accumulated depreciation	(665)	(417)
	993	1,241
Office furniture and equipment		
Value of assets acquired	24,522	24,522
Accumulated depreciation	(15,910)	(11,877)
	8,612	12,645
Plant and equipment work in progress		
Cost of plant and equipment work in progress	261,176	261,176
	261,176	261,176
Total plant and equipment	940,621	1,112,369

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Movements:

	30 Jun 2023 $	30 Jun 2022 $
Carrying value at beginning of the year	1,112,369	715,903
Additions	-	520,807
Transfer from intangible assets	-	-
Assets written off	-	-
Depreciation and amortisation expense	(171,748)	(124,341)
Carrying value at end of the year	940,621	1,112,369

9. TRADE AND OTHER PAYABLES

	30 Jun 2023 $	30 Jun 2022 $
Trade payables	39,782	168,823
Other payables	56,700	68,493
	96,482	237,316

Trade payables are non-interest-bearing and are normally settled on 30-day terms.

10. OTHER CURRENT LIABILITIES

	30 Jun 2023 $	30 Jun 2022 $
Accrued expenses	1,301,306	1,043,931
	1,301,306	1,043,931

11. PROVISIONS

	30 Jun 2023 $	30 Jun 2022 $
Provision for annual leave	13,870	28,849
	13,870	28,849

12. BORROWINGS

	30 Jun 2023 $	30 Jun 2022 $
Short Term Loan (refer to note 21)	-	60,061
	-	60,061

13. ISSUED CAPITAL & OPTIONS

	30 Jun 2023 $	30 Jun 2022 $
Ordinary shares issued and fully paid	8,874,494	7,111,994

Movements:

	30 Jun 2023 No.	30 Jun 2022 $
Issued and fully paid up ordinary shares		
Balance as at 1 July 2022	105,465,731	7,111,994
Shares issued pursuant to placement on 14 November 2022 at $0.125 each	1,200,000	150,000
Shares issued pursuant to placement on 31 January 2023 at $0.125 each	2,400,000	300,000
Shares issued pursuant to placement on 9 February 2023 at $0.125 each	8,000,000	1,000,000
Shares issued pursuant to placement on 31 May 2023 at $0.125 each	2,500,000	312,500
Less share issue costs	-	-
Balance as at 30 June 2023	119,565,731	8,874,494

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	30 Jun 2023 No.	30 Jun 2022 $
Issued and fully paid up ordinary shares		
Balance as at 1 July 2021	92,945,066	5,412,152
Shares issued pursuant to placement on 14 July 2021 at $0.125 each	40,000	5,000
Shares issued pursuant to placement on 17 August 2021 at $0.125 each	400,000	50,000
Shares issued pursuant to placement on 7 September 2021 at $0.125 each	680,000	85,000
Shares issued pursuant to placement on 10 September 2021 at $0.125 each	2,000,000	250,000
Shares issued pursuant to placement on 24 September 2021 at $0.125 each	80,000	10,000
Shares issued pursuant to placement on 14 October 2021 at $0.125 each	2,530,000	316,250
Shares issued pursuant to placement on 19 October 2021 at $0.125 each	560,000	70,000
Shares issued in lieu of consultancy fees on 23 November 2021 at $0.125 each	364,328	45,541
Shares issued pursuant to placement on 19 January 2022 at $0.15 each	2,700,000	405,000
Shares issued pursuant to placement on 9 February 2022 at $0.15 each	360,002	54,001
Shares issued pursuant to placement on 28 February 2022 at $0.15 each	1,573,334	236,000
Shares issued pursuant to placement on 31 March 2022 at $0.15 each	1,033,000	154,950
Shares issued pursuant to placement on 12 April 2022 at $0.15 each	133,334	20,000
Shares issued pursuant to placement on 24 May 2022 at $0.15 each	66,667	10,000
Less share issue costs	-	(11,900)
Balance as at 30 June 2022	105,465,731	7,111,994

	30 Jun 2023 $	30 Jun 2022 $
Options issued (refer to Note 18)	118,682	118,682

Movements:

	30 Jun 2023 No.	30 Jun 2023 $
Balance as at 1 July 2022	11,750,000	118,682
Expiry of $0.25 options	(1,750,000)	-
Issue of employee options (not yet vested)	2,000,000	-
Balance as at 30 June 2023	12,000,000	118,682

	30 Jun 2022 No.	30 Jun 2022 $
Balance as at 1 July 2021	11,750,000	118,682
Balance as at 30 June 2022	11,750,000	118,682

14. RESERVES

	30 Jun 2023 $	30 Jun 2022 $
Asset acquisition reserve	(134,130)	(134,130)
Option reserve	131,093	118,682
	(3,036)	(15,448)

Asset acquisition reserve:

	30 Jun 2023 $	30 Jun 2022 $
Balance at beginning of the year	(134,130)	(134,130)
Balance at end of the year	(134,130)	(134,130)

Option reserve:

	30 Jun 2023 $	30 Jun 2022 $
Balance at beginning of the year	118,682	118,682
Options issued during the year (refer note 18)	12,411	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Balance at end of the year	131,093	118,682

15. ACCUMULATED LOSSES

	30 Jun 2023 $	30 Jun 2022 $
Balance at beginning of the year	(6,121,988)	(4,262,099)
Loss for the period	(1,838,512)	(1,859,889)
Balance at end of the year	(7,960,500)	(6,121,988)

16. COMMITMENTS

Operating lease commitments	**30 Jun 2023** **$**	**30 Jun 2022** **$**
Minimum lease payments not provided for in the financial report and payable:		
Not later than one year	85,000	172,280
Later than one year but not later than five years	-	-
Later than five years	-	-
Aggregate expenditure contracted for at balance date but not provided for	85,000	172,280

As at balance date the Company has an extruder and office premises lease agreement which is due to expire in December 2023, which is out of the scope of *AASB 16* and deemed a short-term lease.

The Company has not committed any further costs associated with the mobile tracked carrier as 30 June 2023 (30 June 2022: Nil.)

17. CONTINGENT ASSETS AND LIABILITIES

The Company has no contingent assets at 30 June 2023 (2022: Nil).

The Company continues to defend a legal claim in the Supreme Court of Western Australia from a former director of Polyline Piping Systems Pty Ltd. The action is being defended. The Company has filed a counter claim. The Company understands that the claim will be proceeding to trial. No provision for any liability has been made in these financial statements. A reliable estimate cannot be made of any obligation.

18. SHARE BASED PAYMENTS

On 1 July 2022, the Company issued a total of 2,000,000 options exercisable at $0.25 each on or before 30 November 2024 to employees of the Company. The options have a 2-year continuous service vesting condition. The total amount expenses for the period was $12,411.

The assessed fair value at reporting date of the 2,000,000 options exercisable at $0.25 each on or before 30 November 2024 was $0.01503 per option. The model inputs included:
(a) options were issued for no consideration
(b) exercise price: $0.25
(c) grant date: 1 July 2022
(d) expiry date: 30 November 2024
(e) share price at grant date: $0.125
(f) expected price volatility of the company's shares (based on the historic volatility based on comparative companies): 50%
(g) expected dividend yield: 0.0%
(h) risk-free interest rate: 2.59%

The existing Class A performance rights, 1,000,000 Class B performance rights and, 1,333,333 Class C Performance rights. Each performance right will vest into one ordinary shares upon the achievement of certain Earnings before interest, taxes, depreciation and amortisation, milestones as follows:-

- Class A: The Company Group achieving cumulative consolidated EBITDA of not less than $2 million during the period commencing on the date of issue of the Performance Rights and ending on the Expiry Date;

- Class B: The Company Group achieving cumulative consolidated EBITDA of not less than $5 million during the period commencing on the date of issue of the Performance Rights and ending on the Expiry Date; and

NOTES TO THE FINANCIAL STATEMENTS
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- Class C: The Company Group achieving cumulative consolidated EBITDA of not less than $10 million during the period commencing on the date of issue of the Performance Rights and ending on the Expiry Date.

The Performance Rights that have not vested by 28 February 2024 will lapse.

As at balance sheet date the Directors determined that no performance rights had a likelihood of vesting to shares for the year ending 30 June 2023.

19. CASH FLOW INFORMATION

	30 Jun 2023 $	30 Jun 2022 $
Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	(1,838,512)	(1,859,889)
Non-cash flows in operating loss:		
Depreciation and amortisation	171,748	124,341
Movement in trade creditors classified as investing activities	-	(5,646)
Shares issued in lieu of fees	-	45,541
Share based payment expense	12,411	
Changes in assets and liabilities:		
(Increase)/(Decrease) in trade and other receivables	153,364	(118,887)
Decrease/(Increase) in inventories	-	67,947
(Increase)Decrease in other current assets	82,299	(30,268)
Increase/(Decrease) in trade and other payables	(140,834)	103,069
Increase/(Decrease) in provisions	(14,979)	16,752
Increase/(Decrease) in other current liabilities	260,534	(141,690)
Net cash (outflows) from operating activities	(1,313,969)	(1,798,730)

20. FINANCIAL RISK MANAGEMENT

Financial risk management

The Company's financial instruments consist mainly of deposits with banks, trade and other receivables, and trade and other payables. The Company does not speculate in the trading of derivative instruments.

The Company holds the following financial instruments at 30 June 2023:

		Fair value	
	At amortised cost	Through profit and loss	Through other comprehensive income
	$	$	$
Financial assets			
Cash and cash equivalents	1,315,958	-	-
Trade and other receivables	32,885	-	-
Total current	1,348,843	-	-
Total assets	1,348,843	-	-
Financial liabilities			
Trade and other payables	96,482	-	-
Borrowings	-	-	-
Total current	96,482	-	-
Total liabilities	96,482	-	-

The Company holds the following financial instruments at 30 June 2022:

		Fair value	
	At amortised cost	Through profit and loss	Through other comprehensive income
	$	$	$
Financial assets			
Cash and cash equivalents	927,489	-	-
Trade and other receivables	186,249	-	-

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Total current	1,113,739	-	-
Total assets	1,113,739	-	-
Financial liabilities			
Trade and other payables	237,316	-	-
Borrowings	-	60,061	-
Total current	237,316	60,061	-
Total liabilities	237,316	60,061	-

Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), and credit rate risk.

The Company'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 Company. The Company 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 and other price risks and aging analysis for credit risk. Risk management is carried out by the Board.

Financial risk exposures and management

The main risks arising from the Company's financial instruments are market risk (including interest rate risk), and credit rate risk.

(a) Interest rate risk

The Company's exposure to market interest rates relates primarily to its cash and cash equivalents. At the reporting date, the Company had the following variable rate cash and cash equivalents:

	30 Jun 2023 $	30 Jun 2022 $
Financial Assets		
Cash and cash equivalents	1,315,958	927,489
	1,315,958	927,489

Movement of 50 basis points on the interest rate (considered a reasonably possible change) would not have a material impact on the Company's loss or equity.

(b) Credit risk

Credit risk arises from cash and cash equivalents held with financial institutions. The Company holds 100% of its cash and cash equivalents with banks with a Moody's credit rating of Aa3.

	30 Jun 2023 $	30 Jun 2022 $
Financial assets		
Cash and cash equivalents	1,315,958	927,489

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 no credit risk exposure this balance was within its terms of trade and no impairment was made as at 30 June 2022. 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.

(c) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(d) Liquidity risk

Vigilant liquidity risk management requires the Company 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 Company entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated 2023	**Weighted average interest rate**	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
	%	**$**	**$**	**$**	**$**	**$**
Non-derivatives						
Non-interest bearing						
Trade and other payables		96,481	-	-	-	96,481
Consolidated 2022						
Non-derivatives						
Non-interest bearing						
Trade and other payables		237,316	-	-	-	237,316

21. RELATED PARTY INFORMATION

The following provides the total amount of transactions and outstanding balances that have been entered into with related parties for the relevant period.

Transactions with directors, director related entities and other related parties

Administrative transactions

During the prior year the Company employed the services of Reswest Consulting Pty Ltd an entity associated with Stewart Findlay, services provided were ad-hoc labour services for a total cost of $4,700 no further services were provided to the Company this year.

During the prior year the Company employed the services of Silverwest Corporation Pty Ltd an entity associated with Mark Gwynne, services provided were ad-hoc labour services for a total cost of $938 no further services were provided to the Company this year.

Loan from former Director

The Company had previously carried a loan of $60,061 (2022: $60,061) owing to David Wilkie, a former director. The loan incurred no interest and was repaid during the year to the bankrupt estate of David Wilkie (net of amounts owing from Mr Wilkie.)

Loan from related entity of a current Director

The Company drew a loan of $60,000 (2022: nil) from a related entity of the father of Director Suraj Sanghani. The loan was used to meet short-term working capital and incurred a fixed interest amount of $6,000. This was fully repaid during the financial year.

Compensation of Key Management Personnel of the Company

The totals of remuneration paid or payable to the Company's key management personnel (**KMP**) during the period are as follows:

	30 Jun 2022	**30 Jun 2021**
	$	**$**
Short-term employee benefits	730,594	928,693

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Post-employment benefits	76,712	79,710
Share based payments	-	197,671
	807,306	1,206,074

The following amounts are accrued to related parties as at 30 June 2023:

	30 Jun 2023 $	30 Jun 2022 $
Ian Dorrington	244,846	172,421
Mark Gwynne	377,599	309,099
Stewart Findlay	299,530	231,715
Suraj Sanghani	357,108	297,731
	1,279,083	1,010,966

The total owed to related parties are inclusive of annual leave and statutory superannuation.

22. REMUNERATION OF AUDITORS

	30 Jun 2023 $	30 Jun 2022 $
Paid or payable to BDO (WA) Pty Ltd for:		
- Audit of the Company's financial report	25,000	21,000
	25,000	21,000

23. EVENTS SUBSEQUENT TO REPORTING DATE

On 8 August 2023, the Company completed a capital raising of $12,500 through the issue of 100,000 ordinary shares.

On 30 August 2023, the Company completed a capital raising of $250,000 through the issue of 2,000,000 ordinary shares.

On 9 October 2023, the Company completed a capital raising of $17,500 through the issue of 140,000 ordinary shares.

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

24. INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of Polyline Pipe Systems Operations Pty Ltd an entity incorporated in Australia on 24 June 2022 and is 100% owned by the parent entity. The subsidiary do not form part of business combinations as the acquired subsidiary was not considered a business under the AASB.

25. PARENT ENTITY INFORMATION

	Parent	
	30 Jun 2023 $	30 Jun 2022 $
Statement of profit or loss and other comprehensive income		
Profit after income tax	(1,838,512)	(1,859,889)
Total comprehensive income	(1,838,512)	(1,859,889)
Statement of financial position		
Total current assets	1,385,152	1,232,346
Total assets	2,325,773	2,344,715
Total current liabilities	(1,414,816)	(1,370,157)
Total liabilities	(1,414,816)	(1,370,157)
Equity		
Issued Capital	8,874,494	7,111,994
Reserves	(3,036)	(15,448)
Accumulated Losses	(7,960,500)	(6,121,988)
Total equity	910,957	974,558

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity and its wholly owned subsidiary are not party to a deed of cross guarantee.

Contingent liabilities
The parent entity had no other contingent liabilities as at 30 June 2023 and 30 June 2022 other than those disclosed in Note 17.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, 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.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mobile Pipe Solutions Ltd, I state that:

1. In the opinion of the directors:

   a) the financial statements and notes of Mobile Pipe Solutions Ltd for the period from 1 July 2022 to 30 June 2023 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of its financial position as at 30 June 2023 and its performance for the period ended on this date of the Company; and

      (ii) complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1;

   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;

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the period ended 30 June 2023.

On behalf of the Board

Mr Ian Dorrington
Managing Director

Perth
31 October 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of Mobile Pipe Solutions Ltd (formerly Polyline Pipe Solutions Ltd)

Report on the Audit of the Financial Report

Opinion

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

In our opinion the accompanying financial report of Mobile Pipe Solutions Ltd, is in accordance with the *Corporations Act 2001*, including:

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern.

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report for the year ended 30 June 2023, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Director

Perth,

31 October 2023