



2021 FULL-YEAR ANNUAL REPORT



integaTM

Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

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Directors' Report

The Directors present their Report (including the Remuneration Report) together with the Consolidated Financial Statements of Intega Group Limited (the Company) and its controlled entities (Intega or the Group), for the financial year ended 30 June 2021.

Directors

The names of Directors of the Company at any time during or since the end of the financial year are set out below. All Directors held office during and since the end of the year unless otherwise indicated.

Name and Title	Experience, Qualifications & Special Responsibilities
<p>Neville Buch</p> <p>Non- Executive Director and Chairman</p>	<p>Neville Buch joined as a Non-Executive Director and Chairman of Intega Group Limited in August 2019. He is a Partner of Crescent Capital Partners where he heads Crescent's Operating Improvement Practice. He brings expertise in operational management and strategic planning.</p> <p>Prior to joining Crescent in 2009, Neville was the Chief Executive Officer of Wormald Australia and a Senior Executive of Tyco, where he was the Global Deputy Chairman of the Fire and Safety Division. He spent twelve years in senior management with Tyco, both in Australia and overseas and has significant experience in the United States, Europe and Asia.</p> <p>Neville is the Non-Executive Chair of NZ Panels Group, Hall Contracting Pty Ltd, Seagrass Hospitality Group Pty Ltd, Nude By Nature Pty Ltd and the Non-Executive Director of Steel Mains, Viridian Glass Pty Ltd, Oceania Pty Ltd.</p> <p>Neville holds a Bachelor of Science in Electronic Engineering and a Masters of Business Administration from the University of Witwatersrand, South Africa.</p> <p>Special Responsibilities: Non-Executive Chairman, Chairman of Remuneration Committee</p>
<p>Matt Courtney</p> <p>Chief Executive Officer and Managing Director</p>	<p>Matt Courtney is the Managing Director and Chief Executive Officer of Intega Group Limited and was appointed in August 2019. However, he has been a part of Cardno Limited (Cardno) since Cardno purchased Bowler in 2008.</p> <p>Matt has more than 30 years' experience providing quality control and quality assurance to all sectors of construction for government and private clients, with multiple delivery modes including JV, Alliances, EPCM, and PPP.</p> <p>Matt's career started with Queensland Water Resources Commission (now SunWater) a Queensland Government owned corporation, prior to joining Bowler Geotechnical in 1992, and purchasing a franchise in Bowler Geotechnical in 1995.</p> <p>Matt has held several management roles in Cardno and was appointed CEO of Construction Sciences in 2016. During this period Matt has led the acquisition and integration of a number of businesses in Australia and in the USA. In October 2019 Intega Group Limited was demerged from Cardno and Matt was appointed CEO and Managing Director.</p> <p>Matt holds a Masters Degree in Engineering Science from the University of New South Wales and is a member of the Australian Institute of Company Directors.</p> <p>Special Responsibilities: Chief Executive Officer and Managing Director</p>
<p>Michael Alscher</p> <p>Non-Executive Director</p>	<p>Michael Alscher joined as a Non-Executive Director of Intega Group Limited in August 2019. He is the Managing Partner and founder of Crescent Capital Partners, a leading Australian based private equity firm with \$2 billion in funds under management, specialising in high growth companies and certain industries such as healthcare and the services sector across multiple disciplines.</p> <p>Prior to founding Crescent in 2000, Michael was a strategy consultant at Bain International and the LEK Partnership as well as holding several senior operating roles.</p> <p>Michael is currently the Non-Executive Chair of Australian Clinical Labs Ltd, National Dental Care Pty Ltd, 24-7Healthcare Pty Limited, Crumpler Pty Ltd, Cardno Limited and the Non-Executive Director of ClearView Limited.</p> <p>Michael holds a Bachelor of Commerce (Finance & Mathematics) from the University of New South Wales.</p> <p>Special Responsibilities: Non-Executive Director, Member of Audit, Risk & Compliance Committee, Member of Remuneration Committee</p>

DIRECTORS' REPORT (CONTINUED)

Name and Title	Experience, Qualifications & Special Responsibilities
<p>Nathanial Thomson</p> <p>Alternate Non-Executive Director</p> <p><i>Appointed 1 June 2021</i></p>	<p>Nathanial Thomson became an Alternate Non-Executive Director of Intega Group Limited in June 2021. He is a Partner at Crescent Capital Partners and responsible for the assessment of potential investment opportunities and management of investee companies.</p> <p>Prior to joining Crescent in 2004, Nathanial was a strategy Consultant for McKinsey & Co. where he executed multiple strategy and operational assignments across industry sectors and geographies.</p> <p>He is currently a Non-Executive Director of Cardno Limited, ClearView Limited, Australian Clinical Labs Ltd, National Dental Care Pty Ltd and 24-7 Healthcare Pty Limited.</p> <p>Nathanial holds a BCom with honours and an LLB with honours from the University of Western Australia.</p> <p>Special Responsibilities: Alternate Non-Executive Director for Michael Alscher</p>
<p>Steven Sherman</p> <p>Non-Executive Director</p>	<p>Steven Sherman joined Intega Group Limited as a Non-Executive Director in August 2019. He is a Chartered Accountant with more than 35 years' experience in corporate restructuring and insolvency. His experience ranges from advising on and facilitating restructuring and turnaround strategies for large listed enterprises, to the re-engineering of entire businesses across multiple international jurisdictions.</p> <p>During his time in private practice Steven was the National Managing Partner of one of Australia's largest independent internationally operating restructuring and corporate advisory firms. He has practiced in the area of financial and operational restructuring and provided professional advice to multinational financiers and lending syndicates as well as company boards and executives.</p> <p>Steven is the Non-Executive Director of Cardno Limited.</p> <p>Steven has a Bachelor of Commerce from the University of New South Wales. He is a Fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors.</p> <p>Special Responsibilities: Non-Executive Director, Member of Audit, Risk & Compliance Committee, Member of Remuneration Committee</p>
<p>Jeffrey Forbes</p> <p>Non-Executive Director</p>	<p>Jeff Forbes joined Intega Group Limited as a Non-Executive Director in August 2019. He is an experienced Finance Executive and Company Director with over 30 years' merger and acquisition, equity and capital markets and project development experience. He has significant expertise in the financing and development of resource projects in both Australia and in the Asia Pacific Region.</p> <p>Jeff previously worked at Cardno as CFO, Company Secretary and Executive Director before leaving to commence Non-Executive director roles. He has spent time as a member of the remuneration and audit and risk committees of both listed and unlisted companies in a variety of sectors.</p> <p>Prior to his experience at Cardno - Jeff was the CFO, Company Secretary and Executive Director at Highlands Pacific Limited, a PNG-based mining and exploration company. He has significant experience in capital raisings and during his career has worked for a number of major companies including Rio Tinto, BHP and CSR.</p> <p>Jeff is the Non-Executive Chair of Herron Todd White Group and Non-Executive Director of PWR Holdings Ltd and Cardno Limited.</p> <p>Jeff holds a Bachelor of Commerce from the University of Newcastle and is a Graduate of the Australian Institute of Company Directors.</p> <p>Special Responsibilities: Non-Executive Director, Chairman of Audit, Risk & Compliance Committee, Member of Remuneration Committee</p>

Company Secretary

Name and Title	Qualification
<p>Courtney Marsden</p> <p>General Counsel and Company Secretary</p>	<p>BAppSc, LLB (Hons), LLM</p>

Directors Report

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DIRECTORS' REPORT (CONTINUED)

Principal Activities

The principal activity of the consolidated entity during the financial year was operating as a quality, testing and measurement company, with expertise in construction materials testing, subsurface utility engineering and quality assurance.

Dividends

The Company declared unfranked dividends on ordinary shares for the financial year ended 30 June 2021 of 2.4 cents per share, being an interim dividend of 1.0 cents per share and a final dividend of 1.4 cents per share. The record date of the final dividend is 2 September 2021 with payment to be made on 30 September 2021.

Details of dividends in respect of the financial year are as follows:

Dividends paid by the company to members since the end of the previous financial year were:

	2021 Cents per share	2021 \$'000	Date of Payment
<i>Declared and paid during the year</i>			
Interim dividend (Unfranked)	1.0	4,253	21 April, 2021

Declared after end of year

After the balance sheet date the following dividends were proposed by the Directors.

	2021 Cents per share	Record Date	Date of Payment
<i>Dividends Determined in respect of the period</i>			
Final dividend (Unfranked)	1.4	2 September, 2021	30 September, 2021

The financial effect of the final dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2021 and will be recognised in subsequent financial reports.

Events Subsequent to Reporting Date

On the 9 June 2021, Intega announced that the Board had commenced a strategic review with the objective of maximising shareholder value including by exploring ownership options for Intega. This review is ongoing.

Subsequent to year end:

- Intega acquired a Stormwater Compliance Company in the US. The business was acquired for \$1.6M USD. It will be integrated into the Americas segment; and
- the Board declared a final unfranked dividend of 1.4 cents per share.

Other than the matters discussed above, there has not arisen in the interval between year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

Likely Developments and Expected Results of Operations

Intega will continue to manage its global business and pursue its policy of growing both organically and by acquisition during the next financial year.

Significant Changes in the State of Affairs

Other than as disclosed elsewhere in this Directors' Report, there have been no significant changes in the state of affairs.

Indemnification and Insurance of Officers

The Company has agreements with each of the Directors and Officers of the Company in office at the date of this report indemnifying them against liabilities to any person other than the Company or a related body corporate that may arise from their acting as Directors or Officers of the Company. The indemnity continues to have effect when the Directors and Officers cease to hold office other than where such liabilities arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Directors or Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance contract, as such disclosures are prohibited under the terms of the contract.

Review of Results

PERFORMANCE (\$'000)	FY 2021	FY 2020	Proforma ³ FY 2020
Gross Revenue	398,149	300,112	451,992
Fee Revenue	297,520	222,947	333,976
Underlying EBITDA ¹	51,293	26,888	42,946
Underlying Net Profit before Tax ²	14,502	2,047	7,970
Underlying Net Profit after Tax ²	9,331	1,635	5,159
Statutory Profit after Tax	5,082	4,064	10,088
Operating Cash Flow	40,294	36,329	47,578
EPS - basic (cents)	1.16	1.50	2.27

¹ Underlying EBITDA = EBIT plus underlying adjustments, depreciation and amortisation.

Underlying EBITDA is unaudited. However, it is based on amounts extracted from the audited financial statements as reported in the consolidated statement of financial performance on page 22. This metric provides a measure of Intega's performance before the impact of non-cash expense items, such as depreciation and amortisation, as well as interest costs associated with Intega's external debt facility and hire purchase arrangements.

² Underlying Net Profit is unaudited and represents operating performance before the impact of underlying adjustments.

³ Proforma FY 2020 relates to 1 July 2019 to 30 June 2020 and includes 4 months worth of results pre-demerger when Intega Group was still a subsidiary of Cardno

Balance Sheet

The company is in a net debt (cash on hand less debt excluding the impact on the new leasing standard) position of \$45.5 million at the end of 30 June 2021 and all covenant ratios were met (net debt of \$42.7 million at 31 December 2020, \$46.0 million at 30 June 2020).

Included in the balance sheet are \$87.3 million of intangible assets relating to goodwill, customer contracts and customer relationships acquired by Intega Group (\$99.7 million at 30 June 2020).

Cash Flow

The company recorded a net operating cash inflow for the year ended 30 June 2021 of \$40.3 million (inflow \$36.3 million FY20) and repaid debt facilities of \$32.8 million.

Segment Overview

Intega Group operates primarily in Australia, the United States, Canada and New Zealand. The services that the Group provides include:

Construction Materials Testing (CMT): This includes providing conformance tests on construction materials such as soil (earthworks), aggregate, pavement materials, concrete, grout, mortar and rock. This service also includes concrete mix design and trial mix testing. These tests help determine whether the construction of a project is meeting the standards specified by the designer/owner and the required regulations. CMT is conducted in laboratories that are accredited by regulatory bodies in each operating jurisdiction.

Subsurface Utility Engineering Services (UES): This includes mapping the location and condition of subsurface utilities such as pipes and cables, which helps reduce the occurrence of interference and conflict with existing infrastructure before and during construction; and

Quality Assurance (QA) on critical components for energy companies (both oil and gas and wind farms) to ensure that when parts arrive at a drill rig or a facility, that they are built and function as specified.

The Intega Group is made up of two segments Asia Pacific and Americas.

Asia Pacific

The Asia Pacific business gross revenue was \$134.0 million down 6.1% from prior comparative period (PCP). Underlying EBITDA was \$22.1 million up \$4.3 million or 24.3% from PCP. The decrease in gross revenue on the PCP is driven by the timing of some major projects winding down and completing at the end of the prior financial year and the delay of commencement of new projects, some of which have been subject to temporary shut downs as a result of COVID-19. However, the increase in EBITDA shows that the Asia Pacific business has been able to flex its workforce and drive cost saving initiatives to ensure the overall financial impact was still positive.

The Asia Pacific business has continued to perform well, maintaining market share and continuing to expand geographically.

Americas

The Americas business gross revenue for FY21 was \$264.2 million down 14.6% from PCP. Underlying EBITDA was \$30.7 million up 18.0% from PCP. The shortfall in gross revenue is offset by reduced costs directly attributable to revenue as well as reduced back office and other cost savings. Overall, the Americas business has continued to benefit from a solid QA pipeline, infrastructure spend and the performance initiatives put in place during FY20 for the Utility Engineering business.

Like the Asia Pacific business, the America's has also had some impact from COVID in project delays and temporary shut downs however has been able to respond quickly to minimise the financial impact.

COVID-19 Response

Both segments of the Group responded quickly at the outset of the pandemic putting in place operational plans and appropriate protocols to ensure the safety of our employees and community. Deployment of remote working strategies, staggered shifts and segregated working areas together with site cleaning, sanitation stations and disinfectant procedures have meant that our sites have remained open and safe during this period.

The Group put in place greater governance around its systems and processes particularly from a finance perspective, increasing operational updates, cash forecasting and reporting and focus on working capital management. The Group received no Government subsidies or initiatives during the year.

DIRECTORS' REPORT (CONTINUED)

Segment Overview Continued

	Statutory ¹		Underlying Adjustments ²		Underlying ¹	
	Financial Year		Financial Year		Financial Year	
						Proforma
\$'000	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Asia Pacific	133,963	91,939	-	50,665	133,963	142,604
Americas	264,186	208,173	-	101,215	264,186	309,388
Gross Revenue	398,149	300,112	-	151,880	398,149	451,992
Asia Pacific	21,903	12,189	246	5,630	22,149	17,819
Americas	29,452	14,340	1,231	11,662	30,683	26,002
Operating EBITDA	51,355	26,529	1,477	17,292	52,832	43,821
Corporate	(5,201)	(875)	3,662	-	(1,539)	(875)
EBITDA³	46,154	25,654	5,139	17,292	51,293	42,946
Depreciation Expense	(24,045)	(15,027)	-	(6,362)	(24,045)	(21,389)
Amortisation of intangibles	(7,706)	(5,937)	-	(3,022)	(7,706)	(8,959)
EBIT⁴	14,403	4,690	5,139	7,908	19,542	12,598
Net finance costs	(5,040)	(3,877)	-	(751)	(5,040)	(4,628)
Profit/(loss) before income tax	9,363	813	5,139	7,157	14,502	7,970
Income tax (expense)/ benefit ⁶	(4,281)	3,251	(890)	(6,062)	(5,171)	(2,811)
Profit/(loss) after income tax	5,082	4,064	4,249	1,095	9,331	5,159
Attributable to:						
Ordinary Equity holders	5,082	4,064	4,249	1,095	9,331	5,159

1. The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' refers to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. Underlying adjustments have been considered in relation to their size and nature and have been adjusted from the Statutory information, for disclosure purposes, to assist readers to better understand the financial performance of the underlying business in the reporting period. These adjustments include transactions or costs that on their own or in combination with a number of similar transactions contribute to more than five percent of profit/(loss) after tax. Underlying adjustments are assessed on a consistent basis year-on-year and include both favourable and unfavourable items and are unaudited.
The exclusion of these items provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.
2. FY 2020 underlying adjustments includes the results of the Intega Group entities from 1 July 2019 to 31 October 2019 while a subsidiary of Cardno Limited.
3. EBITDA represents earnings before interest, income tax, and depreciation and amortisation.
4. EBIT represents earnings before interest and income tax.
5. Statutory EBITDA and EBIT are unaudited. However, they are based on amounts extracted from the audited financial statements as reported in the consolidated statement of financial performance on page 22. These metrics provide a measure of Intega's performance before the impact of non-cash expense items, such as depreciation and amortisation, as well as interest costs associated with Intega's external debt facility and hire-purchase arrangements.
6. Income tax (expense)/benefit refer to Note 5 in the accompanying financial statements.

DIRECTORS' REPORT (CONTINUED)

Segment Overview Continued

	Note	FY 2021	FY 2020
Statutory Profit after Income Tax (Attributable to Ordinary Equity Holders)		5,082	4,064
Underlying Adjustments to EBITDA:			
APAC			
Demerger Costs	1	-	259
Acquisition Costs	2	246	(4,632)
AMERICAS			
Demerger Costs	1	-	2,147
Acquisition Costs	2	1,231	960
Results prior to demerge	3	-	18,558
Corporate			
Demerger Costs	1	3,662	-
Total Underlying Adjustments to EBITDA		5,139	17,292
Underlying Adjustments to Depreciation and Amortisation			
Results prior to demerge	3	-	(9,384)
Total Underlying Adjustments to Depreciation and Amortisation		-	(9,384)
Underlying Adjustments to Interest			
Results prior to demerge	3	-	(751)
Total Underlying Adjustment to Interest		-	(751)
Underlying Adjustments to Income Tax:			
Tax effect of underlying adjustments		(890)	(23)
Recognition of previously unrecognised deferred tax asset	4	-	(7,836)
Change in tax rate	4	-	4,196
Results prior to demerge	3	-	(2,399)
Total Underlying Adjustments to Income Tax		(890)	(6,062)
Underlying Profit after Income Tax (Attributable to Ordinary Equity Holders)		9,331	5,159

1. Costs incurred in relation to the Intega Group demerger from the Cardno Group implemented 31 October 2019. FY21 expense includes the cost of the Transitional Service Agreement entered into as part of the demerge. These costs have been included in corporate costs as they represent a duplication of costs already incurred in the operating segments.
2. Acquisition costs include retention payments in relation to prior acquisitions and a write back of prior year acquisition deferred settlement due to targets not being met.
3. Results for the Group for the four months prior to demerge from Cardno.
4. Accounting for the recognition of a DTA relating to the tax base of assets acquired by Intega Inc not previously recognised by Cardno. Change in the US State Income Tax rate of Intega as a standalone entity.

DIRECTORS' REPORT (CONTINUED)

Outlook

Intega's business has had a strong year from both an operational and financial perspective and is well positioned heading into 2022. Key areas of focus for the next twelve months are:

- Continue to focus on market positioning to maximise benefits of improving conditions and additional government spend;
- Expand organically and through acquisition; and
- Continued focus on improving the balance sheet and operating models to support growth.

Directors' Meetings

Attendance at Board meetings and Board Committee meetings for the year ended 30 June 2021 is set out below:

No. of Meetings Held	Board of Directors		Audit, Risk & Compliance Committee		Remuneration Committee	
	A	B	A	B	A	B
Neville Buch	10	10	4	4	2	2
Matt Courtney	10	10	-	-	-	-
Michael Alscher	10	10	3	4	2	2
Nathaniel Thomson ¹	-	N/A	-	N/A	-	N/A
Steven Sherman	10	10	4	4	2	2
Jeffrey Forbes	9	10	4	4	2	2

A= number of meetings attended.

B= number of meetings held during the time the Director held office during the year or was a committee member.

¹ Nathaniel Thomson is an Alternate Non-Executive Director of Michael Alscher.

Interests

As at the date of this report, the interests of the Directors in the shares of Intega Group Limited were:

	Ordinary Shares	Options	Performance Rights
Neville Buch	-	-	-
Matt Courtney	191,097	594,059	1,048,040
Michael Alscher	-	-	-
Nathaniel Thomson	-	-	-
Steven Sherman	-	-	-
Jeffrey Forbes	148,619	-	-

Remuneration Report (Audited)

This Remuneration Report (Report) outlines the remuneration arrangements for Key Management Personnel (KMP) of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. The information in this Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

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1. Key management personnel

Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

For the purposes of this Report, Intega considers KMP to be the Directors, Chief Executive Officer (CEO), Executive Director - Operations (EDO) and Chief Financial Officer (CFO). All forms of strategic and management decision making are centralised with the CEO, EDO and CFO (on behalf of the Board). The Company's delegation of authority matrix has been written and allows a delegation of operational (but not management) authority that enables the separate divisions to operate on a day-to-day basis. Members of management meet with the CEO weekly, and the CEO, EDO and CFO monthly to enable appropriate management oversight. The KMP disclosed for the financial year ended 30 June 2021 are detailed in the following table.

Name	Title	Period KMP (if less than full year)
Non-Executive Directors		
Neville Buch	Non-Executive Director and Chairman	
Michael Alscher	Non-Executive Director	
Nathaniel Thomson	Alternative Non-Executive Director	Appointed 1 st June 2021
Steven Sherman	Non-Executive Director	
Jeffrey Forbes	Non-Executive Director	
Executives		
Matt Courtney	Chief Executive Officer and Managing Director	
Gerard Midgley	Executive Director - Operations	
Shael Munz	Chief Financial Officer	Resigned 6 th April 2021
Leigh Whitton	Chief Financial Officer	Appointed 6 th April 2021

REMUNERATION REPORT (AUDITED) (CONTINUED)

2. Role of the Remuneration Committee

The remuneration of Directors, the CEO, KMP, managers and staff are reviewed by the Remuneration Committee.

Board decisions on the remuneration of the CEO and other executive KMP are made in the absence of the CEO and executive KMP.

When required, the Committee obtains independent advice from remuneration consultants on the appropriateness of remuneration based trends in comparative countries, both locally and internationally.

The Committee met twice during the year and committee members' attendance record is disclosed in the table of Directors' meetings.

3. Non-Executive Directors' Remuneration

Non-Executive Directors are paid a fee for being a Director of the Board and an additional fee if they chair certain Board Committees. Non-Executive Director fees are not linked to the performance of the Group and Non-Executive Directors do not participate in any of the Company's incentive plans.

Non-Executive Director fees are reviewed annually, and are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of appropriate calibre, whilst incurring a cost that is acceptable to shareholders.

The current aggregate fee limit of \$850,000 was approved by shareholders at the Company's 2020 Annual General Meeting.

The fee structure (which is inclusive of superannuation contributions (where compulsory) for Non-Executive Directors) is detailed in the following table.

	Board \$	Audit, Risk & Compliance Committee \$	Remuneration Committee \$
Chairman	120,000	15,000	-
Non-Executive Director	60,000	10,000	10,000

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REMUNERATION REPORT (AUDITED) (CONTINUED)

3. Non-Executive Directors' Remuneration (Continued)

The remuneration received by Non-Executive Directors from the period of 1 July 2020 to 30 June 2021 is set out in the following table.

		Salary and Fees \$	Superannuation Benefits \$	Total \$
Non-Executive Directors				
Neville Buch	2021	120,000	-	120,000
	2020 ¹	80,000	-	80,000
Michael Alscher	2021	80,000	-	80,000
	2020 ¹	53,333	-	53,333
Nathaniel Thomson ²	2021	-	-	-
	2020	N/A	N/A	N/A
Steven Sherman	2021	72,400	6,878	79,278
	2020 ¹	47,338	4,497	51,835
Jeffrey Forbes	2021	76,925	7,308	84,233
	2020 ¹	50,297	4,778	55,075
Total	2021	349,325	14,186	363,511
	2020¹	230,968	9,275	240,243

1. The 2020 director fees relate to the period from demerger to 30 June 2020.

2. Nathaniel Thomson is an alternate director for Michael Alscher and therefore the Group only pays fees for him when Michael cannot attend (and therefore Michael Alscher's fees reduce). Mr Thomson was only appointed on the 1st June and therefore no fees were charged to the group.

4. Executive Remuneration Strategy and Structure

The Board, has developed and adopted a remuneration structure driven by criteria which comprises a mix of fixed and variable remuneration components as outlined below.

Total Fixed Remuneration (TFR)

The group apportions part of the executive remuneration as a fixed remuneration. This is designed to attract, retain and motivate high calibre senior executives to ensure continued success of the Group to benefit all stakeholders. The fixed remuneration portion consists of base salary plus statutory superannuation contributions and other benefits.

KMP and senior managers receive a fixed remuneration package which is reviewed annually by the Remuneration Committee and the Board taking into consideration the responsibilities of the role, the qualifications and experience of the incumbent and benchmark market data including those companies with which the Group competes for talent.

In reviewing TFR the Committee and the Board takes into consideration business and individual performance as well as the factors outlined above.

There are no guaranteed base pay increases included in any KMP contract.

4. Executive Remuneration Strategy and Structure

Short-Term Incentive (STI)

The STI portion of executive remuneration is used to align executive remuneration with Intega's business strategy, individual strategic objectives and the Groups financial performance.

Target STI opportunities are expressed as a percentage of TFR. Refer to Section 6 for details of maximum STI available to KMP.

For the year ended 30 June 2021, STI payments were determined by achievement of financial performance targets. The Committee and the Board are responsible for reviewing the achievement of targets.

For Executive KMP's, STI is assessed 100% against achievement of budgeted EBITDA for the year. Payment of STI is based on the achievement of the following gates:

% of Underlying EBITDA:			
<90% Budget	90% Budget	100% Budget	>105% Budget
0% STI Paid	Prorata STI Paid	Target STI paid	Max STI Paid

Prorata STI is triggered when underlying EBITDA is at 90% budget and results in 90% of STI being paid. For each and every percent between 90% and 100% of performance in relation to budget a corresponding increase in STI is paid up to the target STI of 100%. For target and maximum STI percentages paid for each KMP refer to Section 6.

STI's are paid in cash following the release of the audited financial results to the ASX.

Long-Term Incentive (LTI)

Target LTI opportunities are expressed as a percentage of TFR. The LTI plan is part of Intega's remuneration strategy to align remuneration with long term shareholder value.

Performance Rights issued under the previous LTI plan transferred from Cardno at demerger, are tested against the relevant performance hurdles at the end of the performance period.

Refer Section 7 for the terms and conditions of the Performance Rights and Options.

For FY20 the LTI scheme provides for the issue of Options for nil consideration to KMP and senior management. Options are issued subject to the employee continuing employment with the company and will vest on the third anniversary of the grant date.

For FY21 and beyond, the LTI scheme provides for the issue of Indeterminate Performance Rights for nil consideration to KMP and senior management who contribute to the achievement of performance hurdles over a three-year period that focus on rebuilding shareholder value and profit expectations.

The performance hurdles are:

- 50% of the Rights will vest upon the achievement of Total Shareholder Return (TSR) ranking criteria relative to the TSR of constituents of the Small Industrials Index, and
- 50% of the Rights will vest on growth in annual EBITDA per Share Growth relative to a target set by the Board.

The Indeterminate Performance Rights are exercised automatically upon vesting subject to meeting the above performance hurdles and are converted into ordinary shares in the Company.

5. Executive Key Management Personnel - Contract Terms

KMP are employed on the basis of Executive Service Agreements (Agreements). These Agreements contain a range of terms and conditions including remuneration and other benefits, notice periods and termination benefits. The key contract terms are as follows:

Contract term: no fixed term.

Notice Period: resignation or termination without cause 6 months.

The Company may terminate Agreements immediately for cause, in which case the Executive is not entitled to any payment in lieu of notice or contractual compensation. Termination of employment with cause would result in no STI awards and all unvested LTI to lapse or vest based on the LTI plan rules at the Board discretion. In the event of termination without cause, the Group is required to pay Executive KMP their notice period of 6 months of salary.

5. Executive Key Management Personnel - Contract Terms Continued

The Agreements also provide for an Executive's participation in the STI and LTI plans subject to Board approval of their eligibility and in accordance with the terms and conditions of the respective plans.

Matt Courtney commenced as CEO and Managing Director on 31 October 2019 and is paid Total Fixed Remuneration (TFR) of \$400,000 per annum plus a car allowance of \$6,000. He is eligible to receive an STI up to a maximum of 40% of TFR, subject to certain Intega Group EBITDA thresholds being met.

Matt was granted 594,059 Options in FY20, the equivalent of 30% TFR, that are due to vest in FY23. Vesting is subject to Matt continuing employment at Intega at that time.

In FY21, Matt was granted 960,000 Indeterminate Rights, the equivalent of 30% TFR should the target performance levels of the hurdles be met, that are due to vest in 3 years. Vesting is subject to two conditions. 50% of the Indeterminate Rights vest based on Total Share Return (assessed against the ASX Small Industrial index) and 50% of the Indeterminate Rights vest based on EBITDA per share growth.

Matt has a six month notice period required by either party on termination as well as a 12 month restraint period.

Gerard Midgley commenced as EDO on 31 October 2019 and is paid TFR of \$300,000 per annum plus a car allowance of \$6,000. He is eligible to receive an STI up to a maximum of 32.5% of TFR, subject to certain Intega Group EBITDA thresholds being met.

Gerard was granted 371,287 Options in FY20, the equivalent of 25% TFR, that are due to vest in FY23. Vesting is subject to Gerard continuing employment at Intega at that time.

In FY21, Gerard was granted 600,000 Indeterminate Rights, the equivalent of 25% TFR should the target performance levels of the hurdles be met, that are due to vest in 3 years. Vesting is subject to two conditions; 50% of the Indeterminate Rights vest based on Total Share Return (assessed against the ASX Small Industrial index) and 50% of the Indeterminate Rights vest based on EBITDA per share growth.

Gerard has a six month notice period required by either party on termination as well as a six month restraint period.

Shael Munz commenced as CFO on 31 October 2019 and resigned on 6 April 2021. Shael transitioned into a different role in the company and is no longer classified as KMP. During her time as CFO, Shael was paid TFR of \$300,000 per annum. She is eligible to receive an STI up to a maximum of 32.5% of TFR, subject to certain Intega Group EBITDA thresholds being met.

Shael was granted 371,287 Options in FY20, the equivalent of 25% TFR, that are due to vest in 3 years. Vesting is subject to Shael continuing employment at Intega at that time.

In FY21, Shael was granted 600,000 Indeterminate Rights, the equivalent of 25% TFR should the target performance levels of the hurdles be met, that are due to vest in 3 years. Vesting is subject to two conditions. 50% of the Indeterminate Rights vest based on Total Share Return (assessed against the ASX Small Industrial index) and 50% of the Indeterminate Rights vest based on EBITDA per share growth.

Shael has a six month notice period required by either party on termination as well as a six month restraint period.

Leigh Whitton commenced as CFO on 6th April 2021. Leigh is paid a TFR of \$300,000 per annum. He is eligible to receive an STI up to a maximum of 32.5% of TFR, subject to certain Intega Group EBITDA thresholds being met. For FY21 only, recognising that Mr Whitton commenced with Intega in April 2021, the Board determined that Mr Whitton would not be eligible for an STI in FY21.

Leigh has not yet joined the Intega LTI Plan. Leigh has a six month notice period required by either party on termination as well as a six month restraint period.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6. Executive Key Management Personnel - Remuneration Tables

The remuneration received by Executive KMP for the year ended 30 June 2021 and 30 June 2020 is set out in the following table.

The share-based payments reflect the amounts required under the Australian Accounting Standards to be expensed by the Company in relation to any long-term incentives. It represents the value of vested and unvested equity expensed during the period including reversals for forfeited equity incentives and the probability of the incentives vesting. These figures are accounting values and not the amounts actually received by Executive KMP. Whether or not Executive KMP realise any value from these share-based payments will depend upon the satisfaction of the applicable performance conditions.

	Year	Short-Term Benefits			Share-Based Payments	Post Employment	Total
		Salary and Fees \$	STI Cash \$	Non-Monetary Benefits	Performance Rights and Options \$	Superannuation Benefits	
Executive Key Management Personnel							
Matt Courtney	2021	378,997	160,000	6,000	128,882	21,694	695,573
	2020 ¹	240,518	160,000	6,000	64,158	13,732	484,408
Gerard Midgley	2021	277,925	97,500	6,000	71,829	21,694	474,948
	2020 ¹	183,495	97,500	6,000	25,680	13,732	326,407
Shael Munz ²	2021	214,613	78,000	-	41,270	16,688	350,571
	2020 ¹	183,495	97,500	-	13,823	13,732	308,550
Leigh Whitton ³	2021	62,170	-	-	-	5,006	67,176
	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2021	933,705	335,500	12,000	241,981	65,082	1,588,268
	2020 ¹	607,508	355,000	12,000	103,661	41,196	1,119,365

¹ The 2020 salary costs are the costs of KMP from demerge date to 30 June 2020.

² Shael Munz resigned as CFO on 6th April 2021. The salary detailed in 2021 is for the period of 1st July 2020 – 6th April 2021.

³ Leigh Whitton commenced as CFO on 6th April 2021. The salary detailed in 2021 is for the period 6th April 2021 – 30th June 2021.

FY21 STI is assessed 100% against achievement of budgeted EBITDA for the year as set by the Board. There were no non-financial performance measures set. The budgeted EBITDA target was exceeded by more than 105% and KMP received STI at the maximum percentage of TFR.

Name	Role		STI Target %TFR	STI Maximum % TFR
Matt Courtney	CEO and Managing Director	2021	30%	40%
		2020	30%	40%
Gerard Midgley	Executive Director Operations	2021	25%	32.5%
		2020	25%	32.5%
Shael Munz	Chief Financial Officer	2021	25%	32.5%
		2020	25%	32.5%
Leigh Whitton	Chief Financial Officer	2021	0%	0%
		2020	-	-

REMUNERATION REPORT (AUDITED) (CONTINUED)

6. Executive Key Management Personnel - Remuneration Tables Continued

Proportion of Performance Related Remuneration

		Percentage of Target STI Received	Percentage of Remuneration Performance Related
Executive Key Management Personnel			
Matt Courtney	2021	100%	40%
	2020	100%	42%
Gerard Midgley	2021	100%	33%
	2020	100%	35%
Shael Munz ¹	2021	100%	33%
	2020	100%	32%
Leigh Whitton	2021	-	-
	2020	N/A	N/A

² Shael Munz resigned as CFO on 6th April 2021. The salary detailed in 2021 is for the period of 1st July 2020 – 6th April 2021.

Performance Rights and Options Granted and Movement during the Year

The aggregate number of Performance Rights and Options in the Company that were granted as compensation, exercised and lapsed to each Executive KMP for the year ended 30 June 2021 is set out in the following table.

	Balance at 1 July 2020	Rights / Options Granted During the Year as Remuneration	Value of Rights / Options Granted During the Year	Rights / Options Exercised During the Year ¹	Value of Rights / Options Exercised During the Year	Lapsed / Cancelled During the Year ¹	Value of Lapsed / Cancelled	Balance at 30 June 2021	Max Total Yet to Vest
	No.	No.	\$	No.	\$	No.	\$	No.	No.
Executive Key Management Personnel									
Matt Courtney	761,201	960,000	203,520	(39,551)	(53,394)	(39,551)	(41,929)	1,642,099	1,642,099
Gerard Midgley	421,007	600,000	127,200	-	-	-	-	1,021,007	1,021,007
Shael Munz	371,287	600,000	127,200	-	-	-	-	971,287	971,287
Leigh Whitton	-	-	-	-	-	-	-	-	-

¹ During the FY2021 year, the 2018 pre-demerge LTI Plan Vested. The rights were subject to two tranches, 50% subject to a share price hurdle and 50% subject to a combined EBITDA with Cardno Limited and Intega hurdle. Only the EBITDA hurdle was met and this amount vested. The amount related to the share price hurdle was not met and subsequently lapsed.

The number of performance rights granted during the year was based on the LTI opportunity at target performance levels as a percentage of TFR converted using a volume weighted average share price before grant date in accordance with Intega's internal policy and vesting criteria as per the Rights plan.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6. Executive Key Management Personnel - Remuneration Tables Continued

Details of vesting profiles of Performance Rights and Options granted as remuneration to Key Management Personnel of Intega and still outstanding at 30 June 2021, including those granted during the financial year are as follows in the table below:

	Year	Outstanding Performance Rights/ Options	Grant Date	Vesting Date	% Vested in Year	% Forfeited in Year	Fair Value at Grant Date
Executive Key Management Personnel							
Matt Courtney	2021	480,000	20-Nov-20	30-Jun-23	0.0%	0.0%	\$0.149
	2021	480,000	20-Nov-20	30-Jun-23	0.0%	0.0%	\$0.275
	2020	594,059	11-Dec-19	1-Nov-22	0.0%	0.0%	\$0.202
	2019	88,040	1-Nov-18	1-Nov-21	0.0%	0.0%	\$1.08
Gerard Midgley	2021	300,000	20-Nov-20	30-Jun-23	0.0%	0.0%	\$0.149
	2021	300,000	20-Nov-20	30-Jun-23	0.0%	0.0%	\$0.275
	2020	371,287	11-Dec-19	1-Nov-22	0.0%	0.0%	\$0.202
	2019	49,720	1-Nov-18	1-Nov-21	0.0%	0.0%	\$1.08
Shael Munz	2021	300,000	20-Nov-20	30-Jun-23	0.0%	0.0%	\$0.149
	2021	300,000	20-Nov-20	30-Jun-23	0.0%	0.0%	\$0.275
	2020	371,287	11-Dec-19	1-Nov-22	0.0%	0.0%	\$0.202
Leigh Whitton	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-

The 2019 Performance Rights issued were revalued on demerge (31 October 2019). The valuation came in at a lower fair value and therefore for accounting purposes the original fair value was used.

The number of Performance Rights and Options included in the balance at 30 June 2021 for the Executive KMP is set out in the following table.

	Balance at 30 June 2021	Vested & Exercisable at the End of the Year
Executive Key Management Personnel		
Matt Courtney	1,642,099	-
Gerard Midgley	1,021,007	-
Shael Munz	971,287	-
Leigh Whitton	-	-

Subsequent to year end, no Performance Rights or Options have been issued to KMP. No terms of Performance Rights or Options transactions have been altered by the Company during the reporting period. The Board has not exercised its discretion to allow the early vesting of any Performance Rights or Options under any of the incentive plans.

Securities Trading Policy

The Company prohibits KMP from entering into any hedging arrangements or acquiring financial products (such as equity swaps, caps and collars or other hedging products) over unvested Performance Rights or Options which have the effect of reducing or limiting exposure to risks associated with the market value of the Company's securities. No Directors or Senior Executives may directly or indirectly enter into any margin loan facility against the Company's securities unless the prior written consent of the Chairman of the Board is obtained.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. LTI Share Plans

LTI plans are delivered through the Intega Performance Equity Plan (PEP). Under this plan any LTI award is paid in either Shares, Performance Rights or Options.

The terms and performance hurdles are listed below.

Performance Period:

The performance period for Performance Rights and Options issued under the PEP is three years and the rights vest subject to the achievement of Performance Hurdles detailed below. The issue of Performance Rights and Options is discretionary and applied to eligible staff considered to have been high performers in their respective roles.

All Performance Rights and Options expire on the earlier of their expiry date or termination of employment. There are no voting or dividend rights attached to the Performance Rights or Options.

2021 LTI Plan Performance Hurdles:

Intega's Rights Plan was approved at the companies October 2020 Annual General Meeting.

Indeterminate Performance Rights are issued in two tranches (subject to the employee continuing employment with the Intega Group):

Tranche 1: Indexed Total Shareholder Return (TSR)

The TSR benchmark measure is the ASX Small Industrials total return Index, with vesting criteria subject to Intega's performance against this index.

- 100% vest at stretch with no ability to earn above target
- 50% vest at target, vesting at pro-rata rate from target to stretch
- 25% vest at threshold, vesting at a pro-rata rate from threshold to target.
- 0% vest at below threshold, vesting at pro-rata rate from below threshold to threshold.

Performance Level	Intega's TSR Vs Annualised Index TSR	% of Tranche Vesting.
Stretch	≥ Index Return + 18% TSR per annum	100%
Target	= Index Return + 9% TSR per annum	50%
Threshold	= Index Return + 5% TSR per annum	25%
Below Threshold	< Index Return + 5% TSR per annum	0%

Tranche 2: EBITDA Per Share Growth

- 100% vest at stretch with no ability to earn above target
- 50% vest at target, vesting at pro-rata rate from target to stretch
- 25% vest at threshold, vesting at a pro-rata rate from threshold to target.
- 0% at below threshold, vesting at a pro-rata rate from below threshold to threshold.

Performance Level	EBITDA per Share Growth (CAGR)	% of vesting
Stretch	≥ 15%	100%
Target	10%	50%
Threshold – Min Acceptable Outcome	8%	25%
Below Threshold	< 8%	0%

7. LTI Share Plans Continued

2020 LTI Plan Performance Hurdles:

Options issued under the FY20 plan were for retention purposes and as such are not subject to performance hurdles. The options will vest on the third anniversary of the grant date subject to the employee continuing employment at Intega Group.

2019 Pre Demerger LTI Plan Performance Hurdles:

2019 Pre Demerger LTI Plan Performance Rights are subject to a combined Group EBITDA performance hurdle.

The Rights will vest on 1 November 2021. 50% or more of the Performance Rights will vest subject to the Combined EBITDA hurdle for the full 2021 financial year being \$73.5 million, with the remaining 50% vesting in straight line growth against a Combined EBITDA of \$77.5 million.

Combined EBITDA will be determined by the Board according to the following formula:

Combined EBITDA = Cardno EBITDA + Intega EBITDA

EBITDA means, in relation to an entity, the audited consolidated profit from ordinary activities of that entity before borrowing costs and income tax, plus depreciation, plus amortisation of identifiable, intangible assets for the relevant corporate group, determined on a consistent basis with the entity's statutory accounts, adjusted for the impact of any acquisition, divestment or changes to the planned capital expenditure determined by the Board of that entity in its absolute discretion at the time of the acquisition, divestment or change to planned capital expenditure.

Number of Performance Rights & Options:

There are currently 4,297,760 Performance Rights and 1,584,158 Options on issue at 30 June 2021. As a share-based payment, these Performance Rights and Options were valued for accounting and reporting purposes using the Monte Carlo simulation and Black Scholes method.

LTI performance rights and options do not attract dividends.

As there were no market-based performance hurdle it is appropriate to value the Options using the Binomial method.

Assumption at fair value date	TSR Fair Value 2021	EBITDA Fair Value 2021	Fair Value 2020	Revised Fair Value 2019	Original Fair Value 2019
Share Price	\$0.275	\$0.275	\$0.51	\$0.565	\$1.08
Risk Free Rate	0.10%	0.10%	0.71%	0.80%	-
Volatility	60% first year, 40% thereafter	60% first year, 40% thereafter	50%	40%	-
Fair value	\$0.149	\$0.275	\$0.202	\$0.565	\$1.080
Exercise price	-	-	\$0.735	-	-

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. The Group's Performance

The Group's performance in respect of the current financial year is summarised in the following table.

	2021	2020
Gross Revenue – (000's)	398,149	300,112
Underlying EBITDA ¹ (000's)	51,293	26,888
Net Profit After Tax (000's)	5,082	4,064
Dividends Paid or Provided (000's)	4,253	-
Share Price – Closing 30 June (cents)	0.55	0.23

¹ Underlying EBITDA = EBIT plus underlying adjustments, depreciation and amortisation.

Underlying EBITDA is unaudited. However, it is based on amounts extracted from the audited financial statements as reported in the consolidated statement of financial performance on page 22. This metric provides a measure of Intega's performance before the impact of non-cash expense items, such as depreciation and amortisation, as well as interest costs associated with Intega's external debt facility and hire purchase arrangements.

9. Other Related Party Transactions

Share Holdings

The movement for the year ended 30 June 2021 in the number of ordinary shares in the Company held, directly or indirectly or beneficially, by each KMP, including their related parties, is detailed in the following table.

Name	Balance at 1 July 2020	Received During the Year on the Exercise of Rights	Other Changes During the Year	Balance at 30 June 2021
Neville Buch	-	-	-	-
Michael Alscher	-	-	-	-
Steven Sherman	-	-	-	-
Jeffrey Forbes	148,619	-	-	148,619
Matt Courtney	108,239	83,665	(807)	191,097
Gerard Midgley	65,624	-	(65,624)	-
Shael Munz	57,000	-	-	57,000
Leigh Whitton	20,000	-	80,000	100,000

Loans to Executive Key Management Personnel

There were no loans to Executive KMP made during the period and no outstanding balances at reporting date.

Other key management personnel transactions with the Company or its controlled entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

None of these entities transacted with the Company or its subsidiaries in the reporting period.

Non-audit Services

The Company's auditor may perform certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with advice provided by resolution of the Audit, Risk and Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Board and have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Intega, acting as an advocate for Intega or jointly sharing risks and rewards.

Details of the amounts paid to the auditor and its related practices for audit and non-audit services provided during the year are set out in Note 29.

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

The lead auditor's independence declaration is set out on page 21 and forms part of the Directors' report for the year ended 30 June 2021.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that legislative instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

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



NEVILLE BUCH

Chairman

26 August 2021



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

To the Directors of Intega Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Intega Group Limited for the financial year ended 30 June 2021 there have been:

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

KPMG

KPMG

E. Neville Stanley

Erin Neville-Stanley
Partner

Brisbane
26 August 2021

Consolidated Statement of Financial Performance

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

	Note	2021 \$'000	2020 ¹ \$'000
Revenue	2A	398,149	300,112
Other income	2E	780	196
Financing income	3	35	66
Employee expenses		(245,187)	(176,463)
Consumables and materials used		(55,464)	(43,123)
Sub-consultant and contractor costs		(37,381)	(35,787)
Depreciation and amortisation expenses		(31,751)	(20,964)
Financing costs	3	(5,075)	(3,943)
Impairment loss on trade receivables and contract assets	4, 19	(711)	(1,475)
Other expenses		(14,032)	(17,806)
Profit before income tax		9,363	813
Income tax (expense)/ benefit	5	(4,281)	3,251
Profit for the year		5,082	4,064
Profit attributable to:			
Owners of the Company		5,082	4,064
Earnings per share			
Basic earnings per share (cents per share)	24	1.16	1.50
Diluted earnings per share (cents per share)	24	1.15	1.50

¹Refer note 30 (j)

Consolidated Statement of Other Comprehensive Income

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

	Note	2021 \$'000	2020 ¹ \$'000
Profit for the year		5,082	4,064
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(5,643)	(118)
Other comprehensive income/ (loss) for the year, net of tax		(561)	3,946
Total comprehensive income/ (loss) for the year		(561)	3,946
Total comprehensive income attributable to:			
Owners of the Company		(561)	3,946

¹Refer note 30 (j)

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Consolidated Statement of Financial Position

Intega Group Limited and its Controlled Entities as at 30 June 2021

	Note	2021 \$'000	Restated 2020 ¹ \$'000
CURRENT ASSETS			
Cash and cash equivalents	7	19,645	40,029
Trade and other receivables	2C, 8	57,996	64,899
Contract Assets	2C, 9	20,598	26,319
Inventories		166	165
Other current assets	22	2,903	4,065
TOTAL CURRENT ASSETS		101,308	135,477
NON-CURRENT ASSETS			
Property, plant and equipment	10	14,798	18,718
Right of use assets	11	36,640	38,033
Deferred tax assets	6	19,743	21,515
Intangible assets	12	87,268	99,666
TOTAL NON-CURRENT ASSETS		158,449	177,932
TOTAL ASSETS		259,757	313,409
CURRENT LIABILITIES			
Trade and other payables	13	31,782	46,597
Loans and borrowings	14	14,812	13,641
Current tax liabilities		950	1,850
Employee benefits		15,007	15,603
Provisions	15	1,674	1,745
Contract liabilities	2C	1,651	1,343
Other current liabilities		80	66
TOTAL CURRENT LIABILITIES		65,956	80,845
NON-CURRENT LIABILITIES			
Loans and borrowings	14	81,186	105,077
Deferred tax liabilities	6	613	1,020
Employee benefits		1,419	1,487
Other non-current liabilities		111	246
TOTAL NON-CURRENT LIABILITIES		83,329	107,830
TOTAL LIABILITIES		149,285	188,675
NET ASSETS		110,472	124,734
EQUITY			
Issued capital	16	127,503	136,951
Reserves		(4,290)	1,353
Retained losses		(12,741)	(13,570)
TOTAL EQUITY		110,472	124,734

¹ 2020 balances have been restated to reflect the Group's change in accounting policy to configuration and customisation of Software-as-a-Service (SaaS) arrangements. Refer to Note 30(b) for more details.

Consolidated Statement of Changes in Equity

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

	Note	Issued Capital \$'000	Retained Earnings / (losses) \$'000	Foreign Translation Reserve \$'000	Total Equity \$'000
BALANCE AT 30 JUNE 2019		-	-	-	-
Change in accounting policy on application of Interpretation Committee Decision ¹		-	(255)	-	(255)
Profit for the year		-	4,064	-	4,064
Exchange differences on translation of foreign operations		-	-	(118)	(118)
Total comprehensive income for the year		-	3,809	(118)	3,691
Transactions with owners in their capacity as owners:					
Employee share based payments	16	191	-	-	191
Issue of shares on demerger	16	136,760	(17,379)	1,471	120,852
RESTATED BALANCE AT 30 JUNE 2020 ¹		136,951	(13,570)	1,353	124,734
RESTATED BALANCE AT 1 JULY 2020		136,951	(13,570)	1,353	124,734
Profit for the year		-	5,082	-	5,082
Exchange differences on translation of foreign operations		-	-	(5,643)	(5,643)
Total comprehensive income for the year		-	5,082	(5,643)	(561)
Transactions with owners in their capacity as owners:					
Dividends Paid	17		(4,253)	-	(4,253)
Employee share based payments	16	368		-	368
Share buy-back (net of income tax)	16	(9,816)		-	(9,816)
BALANCE AT 30 JUNE 2021		127,503	(12,741)	(4,290)	110,472

¹ 2020 balances have been restated to reflect the Group's change in accounting policy of configuration and customisation of Software-as-a-Service (SaaS) arrangements. Refer to Note30(b) for more details.

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Consolidated Statement of Cash Flows

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		406,035	309,809
Interest received		35	66
Finance costs paid		(4,939)	(3,393)
Cash paid to suppliers and employees		(360,030)	(270,153)
Income tax paid		(807)	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	23	40,294	36,329
CASH FLOWS FROM INVESTING ACTIVITIES			
Deferred settlement of acquisitions		(5,983)	(6,772)
Proceeds from sale of property, plant and equipment		1,189	475
Payments for property, plant and equipment		(3,769)	(2,837)
Cash and Cash Equivalent on Demerge		-	20,588
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(8,563)	11,454
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Buy-Back		(9,816)	-
Dividends Paid		(4,253)	-
Proceeds from borrowings		15,000	15,574
Repayment of borrowings		(32,798)	(14,762)
Lease Liability payments		(17,519)	(8,655)
NET CASH USED IN FINANCING ACTIVITIES		(49,386)	(7,843)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(17,655)	39,940
CASH AND CASH EQUIVALENTS AT 1 JULY		40,029	-
Effects of exchange rate changes on cash and cash equivalents at the end of year		(2,729)	89
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	19,645	40,029

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

Set out below is an index of the notes to the financial statements, the details of which are available on the pages that follow:

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1. Segment Information

Intega has two reportable segments managed separately by location and services provided. The segments are an aggregate of businesses which provide similar services in similar markets.

Internal management reports on the performance of these reportable segments are reviewed weekly and monthly by the Group's Chief Executive Officer (CEO). The following summary describes the operations in each of Intega's reportable segments.

- **Asia Pacific** – provides services in construction materials testing, subsurface utility engineering services, environmental testing and geotechnical engineering.
- **Americas** – provides services in construction materials testing, subsurface utility engineering services, owners representative services, quality assurance, environmental testing, and geotechnical engineering.

Segment results that are reported to the CEO include items directly attributed to the segment as well as those that can be allocated on a reasonable basis.

Not included in Intega's reportable segments are costs in the business that relate to being a publicly listed entity. These costs are shown as Other. Other also includes costs that relate to the Transitional Service Agreements (TSA) with Cardno Limited.

Reconciliations of reportable segment revenues and profit or loss

2021 \$'000	Asia Pacific	Americas	Other	Total
SEGMENT REVENUE				
Fees from consulting services	133,192	164,328	-	297,520
Fees from recoverable expenses	429	99,517	-	99,946
Segment Revenue	133,621	263,845	-	397,466
Other revenue	342	341	-	683
Total Segment Revenue	133,963	264,186	-	398,149
Segment Result				
Acquisition related expenses	(246)	(1,231)	-	(1,477)
De-merger related expenses	-	-	(3,662)	(3,662)
Depreciation and amortisation expense	(13,274)	(18,477)	-	(31,751)
Profit before interest and income tax	8,629	10,975	(5,201)	14,403
Finance Costs and interest income				(5,040)
Profit before income tax				9,363
Income tax expense				(4,281)
Profit after income tax				5,082

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

1. Segment Information Continued

2020 \$'000	Asia Pacific	Americas	Other	Total
SEGMENT REVENUE				
Fees from consulting services	91,499	131,448	-	222,947
Fees from recoverable expenses	390	76,540	-	76,930
Segment Revenue	91,889	207,988	-	299,877
Other revenue	50	185	-	235
Total Segment Revenue	91,939	208,173	-	300,112
Segment Result	10,316	17,447	(875)	26,888
Acquisition related expenses	2,132	(940)	-	1,192
De-merger related expenses	(259)	(2,167)	-	(2,426)
Depreciation and amortisation expense	(8,506)	(12,458)	-	(20,964)
Profit before interest and income tax	3,683	1,882	(875)	4,690
Finance Costs and interest income				(3,877)
Profit before income tax				813
Income tax (expense)/ benefit				3,251
Profit after income tax				4,064

GEOGRAPHICAL INFORMATION

	2021		2020	
	Revenue \$'000	Non-Current Assets \$'000	Revenue \$'000	Non-Current Assets \$'000
Australia & New Zealand	135,449	70,976	91,939	73,852
United States of America	229,879	82,529	186,862	97,108
United Kingdom	14,160	-	7,218	-
Canada	18,661	4,944	14,093	6,972
	398,149	158,449	300,112	177,932

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

2. Revenue

A Revenue Streams

The Group generates revenue primarily from construction materials testing, subsurface utility engineering services and quality assurance.

	2021 \$'000	2020 \$'000
REVENUE		
Fees from consulting services	297,520	222,947
Fees from recoverable expenses	99,947	76,930
Other	682	235
Revenue	398,149	300,112

B Disaggregation of revenue from contracts with customers

Revenues from customer contracts is disaggregated into existing segments and the timing of transfer of services, being overtime versus point in time, in the table below which depicts how the nature, amount and uncertainty of revenue and cash flows are affected by economic factors.

\$'000	Segment Revenue		Over Time Revenue		Point in Time Revenue	
	2021	2020	2021	2020	2021	2020
Asia Pacific	133,963	91,939	33,467	22,343	100,496	69,596
Americas	264,186	208,173	264,186	208,173	-	-
Revenue	398,149	300,112	297,653	230,516	100,496	69,596

Below is the disaggregation of the revenue streams into timing of transfer of services being overtime versus point in time.

Construction Materials Testing (CMT): This includes providing conformance tests on construction materials such as soil (earthworks), aggregate, pavement materials, concrete, grout, mortar and rock. This service also includes concrete mix design and trial mix testing. These tests help determine whether the construction of a project is meeting the standards specified by the designer/owner and the required regulations. CMT is conducted in laboratories that are accredited by regulatory bodies in each operating jurisdiction.

Subsurface Utility Engineering Services: This includes mapping the location and condition of subsurface utilities such as pipes and cables, which helps reduce the occurrence of interference and conflict with existing infrastructure before and during construction.

Quality Assurance on critical components for energy companies (both oil and gas and wind farms) to ensure that when parts arrive at a drill rig or a facility, that they are built and function as specified.

\$'000	Segment Revenue		Over Time Revenue		Point in Time Revenue	
	2021	2020	2021	2020	2021	2020
Construction materials testing	261,315	188,699	160,819	119,103	100,496	69,596
Subsurface utility engineering	86,814	70,575	86,814	70,575	-	-
Quality assurance	50,020	40,838	50,020	40,838	-	-
Revenue	398,149	300,112	297,653	230,516	100,496	69,596

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

2. Revenue Continued

C Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2021 \$'000	2020 \$'000
\$'000		
Receivables (included in Trade and other receivables)	63,273	72,914
Loss allowance	(8,026)	(8,969)
Contract assets	20,598	26,319
Contract liabilities	1,651	1,343

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The carrying amount of contract assets as at 30 June 2021 is reduced by a total impairment provision of \$0.5 million (2020: \$0.5 million). Impairment provisions are booked against specific high risk and aged contract assets where billing and recovery is doubtful.

D Revenue recognition policies

The Group may provide services on a per unit basis, time and materials basis or lump sum basis.

Under AASB 15 revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement. When recognising the contract revenue over time using the input method, revenue is recognised on the basis of the entity's efforts or inputs and some contracts require a judgemental assessment of cost or labour hours incurred to date as a proportion of total cost or labour hours remaining to fully satisfy contract performance obligations.

Revenue measured and recognised at a point in time requires judgement in relation to the assessment of whether the entity has a right to payment for services performed to date, whether legal title of an asset has passed to the client, in addition to the transfer of risks and rewards and the acceptance and physical possession of the asset by the client.

E Other Income

	2021 \$'000	2020 \$'000
Gain on disposal of property, plant and equipment	497	196
Income from sublease right of use asset	283	-
Other Income	780	196

3. Net Financing Costs

	2021 \$'000	2020 \$'000
Interest paid	(3,164)	(2,963)
Lease liabilities – interest expense	(1,911)	(980)
Interest received	35	66
Net Financing Costs	(5,040)	(3,877)

Accounting for Net Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

4. Expenses

	2021 \$'000	2020 \$'000
Impairment loss on trade receivables and contract assets	(711)	(1,475)

5. Income Tax Expense/(Benefit)

	2021 \$'000	2020 \$'000
(a) The components of tax expense comprises:		
Current tax expense		
Current year	4,138	2,834
Adjustments for prior years	(48)	-
	4,090	2,834
Deferred tax expense		
Current year	644	(6,085)
Adjustments for prior years	(453)	-
	191	(6,085)
Total income tax expense / (benefit)	4,281	(3,251)
(b) Numerical reconciliation between tax expense and pre-tax profit		
Profit / (loss) before tax	9,363	813
Income tax using the Australian corporation tax rate of 30%	2,809	244
Increase (decrease) in income tax expense due to:		
Non-deductible expenses	423	(371)
Effect of tax rates in foreign jurisdictions	(644)	(292)
Impact of valuation allowance on foreign tax credits	1,965	917
Allowances for R&D expenditure	(200)	(69)
Change in tax rates	-	4,196
Recognition of previously unrecognised deferred tax asset	-	(7,836)
Sundry items	429	(40)
	4,782	(3,251)
Under / (over) provided in prior years	(501)	-
Income tax expense / (benefit)	4,281	(3,251)
(c) Amounts recognised directly in equity		
Foreign exchange	-	-

The effective tax rate for FY21 was 46% (FY20:399%). The current years' effective rate compares to the 47% FY20 effective tax rate, excluding the prior year's US goodwill and state tax adjustment. The Company's current tax expense is impacted by the write off of foreign tax credits unable to be utilised during the year which has resulted in an inflated effective tax rate.

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

6. Deferred Tax Assets and Liabilities

Recognised deferred tax assets and liabilities

	2021 \$'000	2020 \$'000
Assets		
Accruals	968	1,375
Provisions	6,518	6,958
Intangibles	9,733	10,101
Tax losses	1,949	2,566
Other	2,842	1,965
Total deferred tax assets	22,010	22,965
Set-off of deferred tax liabilities	(2,267)	(1,450)
Net deferred tax assets	19,743	21,515
Liabilities		
Contract assets	1,636	1,174
Prepayments	141	58
Property, plant and equipment	516	258
Other	587	980
Total deferred tax liabilities	2,880	2,470
Set-off against deferred tax assets	(2,267)	(1,450)
Net deferred tax liabilities	613	1,020
NET DEFERRED TAX ASSETS	19,130	20,495

The tax losses recognised have an expiry period of 20 years.

Judgement is required to determine the amount of deferred tax assets that are recognised based on the likely timing and the level of future taxable profits. The Group assesses the recoverability of recognised and unrecognised deferred taxes in Australia and the United States using assumptions and projected cash flows as applied in the Group impairment reviews for associated operations. The Group's current taxable profit forecasts support the recoverability of the deferred tax assets recognised.

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6. Deferred Tax Assets and Liabilities Continued

Judgements are also required about the application of income tax legislation and its interaction with income tax accounting principles. These judgements are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. Where the final tax outcomes are different from the amounts that were initially recorded, these differences impact the current and deferred tax provisions in the period in which the determination is made.

Movement in temporary differences during the year:

	1 Jul 2020 \$'000	Recognised in profit or loss \$'000	Adjustments to prior years \$'000	Other ¹ \$'000	30 June 2021 \$'000
Accruals	1,375	118	(403)	(123)	968
Provisions	6,958	(153)	(392)	105	6,518
Intangibles	10,101	(81)	32	(319)	9,733
Tax losses	2,566	(1,881)	1,365	(99)	1,949
PPE	(258)	(332)	56	18	(516)
Contract assets	(1,174)	(441)	(26)	5	(1,636)
Prepayments	(58)	198	(283)	2	(141)
Sundry items	985	1,593	46	217	2,255
TOTAL	20,495	(644)	453	(1,175)	19,130

¹ Other adjustments relate to impacts of translating foreign operations and amounts booked to equity.

7. Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Cash at bank and on hand	19,515	39,899
Restricted cash ¹	130	130
	19,645	40,029

¹ Cash held as security on credit card facility in Canada

Accounting for Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and investments in money market instruments which are at call or with an original term of three months or less. Bank overdrafts are shown with interest-bearing loans and borrowings in current liabilities on the consolidated statement of financial position.

8. Trade and Other Receivables

	2021 \$'000	2020 \$'000
Trade receivables	63,273	72,914
Loss allowance	(8,026)	(8,969)
	55,247	63,945
Sundry Receivables	2,749	954
	57,996	64,899

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

8. Trade and Other Receivables Continued

Accounting for Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts.

The recoverability of trade receivables is reviewed on an ongoing basis and its loss allowance is determined at both a specific and collective level. All individually significant and aged receivables are assessed for specific impairment.

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Group has elected to measure its loss allowances for trade receivables at amounts equal to the lifetime expected credit loss (ECL). The ECLs are a probability weighted estimate calculated based on debtors ageing, actual credit loss experience over the past three years and future economic conditions. The Group's trade receivables were segmented based on common credit risk characteristics such as customer type, geographical location of customer, and ageing of financial assets. The Group considers a financial asset to be in default when the client is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 90 days past due.

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Management's analysis of customer credit risk has considered the estimated impact of COVID-19 on the economic environment and its assessment of expected credit losses. To date, the Group has not seen a material shift in payment patterns or a significant deterioration in the ageing of receivables and accordingly have used historical loss rates to calculate expected credit losses. There is judgment involved in making forward-looking assumptions relating to changes to credit risk.

Bad debts are written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. In some segments and industries, extended payment terms may be agreed, for example under a pay when paid arrangement. It is therefore not appropriate to implement a policy of writing off financial assets based solely on the age of the debtor and other factors are considered.

9. Contract Assets

	2021 \$'000	2020 \$'000
Contracts assets	20,598	26,319

Accounting for Contract Assets

Contract assets are stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts represent unearned revenue and are presented as contract liabilities under other liabilities. Amounts are transferred to receivables when the right to billing and payment becomes unconditional.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's activities in general.

Estimates of some contract asset balances are determined using the percentage of completion methodology. Refer to Note 2 for further details.

The Group recognises loss allowances for the expected credit losses (ECLs) on financial assets measured at contract assets. The Group has elected to measure its loss allowances for contract assets at amounts equal to the lifetime expected credit loss (ECL). The ECLs are a probability weighted estimate calculated based on debtors ageing, actual credit loss experience over the past three years and future economic conditions. The Group's contract assets were segmented based on common credit risk characteristics such as customer type, geographical location of customer, and ageing of financial assets.

Contract assets held by the Group relate to work in progress which has not yet been billed and as such the average ECL percentage applied is equivalent to that applied to current (not past due) trade receivables.

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

10. Property, Plant and Equipment

	Land and Buildings \$'000	Office furniture and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Carrying amount at 31 October 2019¹	2,976	15,873	2,555	21,404
Software Accounting Policy Update	-	(255)	-	(255)
Restated Carrying Amount at 31 October 2019²	2,976	15,618	2,555	21,149
Additions	254	2,312	271	2,837
Disposals	(11)	(46)	(423)	(480)
Depreciation expense	(448)	(3,666)	(702)	(4,816)
Foreign exchange	16	20	(8)	28
Restated Carrying amount at 30 June 2020²	2,787	14,238	1,693	18,718
Cost amount at 30 June 2020	5,800	51,674	9,404	66,878
Accumulated Depreciation at 30 June 2020	(3,013)	(37,436)	(7,711)	(48,160)
Revised Carrying Amount at 1 July 2020²	2,787	14,238	1,693	18,718
Additions	377	1,958	1,386	3,769
Disposals	(1)	(452)	(536)	(989)
Depreciation expense	(673)	(4,719)	(758)	(6,150)
Foreign exchange	(171)	(314)	(17)	(502)
Carrying amount at 30 June 2021	2,319	10,711	1,768	14,798
Cost amount at 30 June 2021	5,828	49,056	9,756	64,640
Accumulated Depreciation at 30 June 2021	(3,509)	(38,345)	(7,988)	(49,842)
Carrying amount at 30 June 2021	2,319	10,711	1,768	14,798

¹ Transfer amount at 31 October 2019 is the balance of Property, Plant and Equipment that was transferred on Demerge from Cardno.

² 2020 balances have been restated to reflect the Group's change in accounting policy to configuration and customisation of Software-as-a-Service (SaaS) arrangements. Refer to Note 30(b) for more details.

Accounting for Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Intega and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that Intega will obtain ownership by the end of the lease term. Land is not depreciated.

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

10. Property, Plant and Equipment Continued

The estimated useful lives for the current and comparative periods are as follows:

- Buildings 40 years
- Motor vehicles 4-7 years
- Office furniture and equipment 3-11 years

Amortisation of leasehold improvements is calculated using the straight-line method over the shorter of the remaining lease term or the estimate useful lives of the improvements.

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

11. Leases

Group as a lessee

The Group has lease contracts for various items of plant, machinery, vehicle and other equipment used in its operations. Leases of land and buildings generally have lease terms between 3 and 10 years, while motor vehicles and other equipment generally have lease terms between 2 and 5 years. For certain leases the Group is restricted from entering into any sub-lease arrangements.

The group has several property leases that contain extension options exercisable by the group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility and to align with the Group's business needs. The extension options held are excisable by the group and not by the lessors.

Management assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassess whether it is reasonably certain to exercise the option if there is a significant event or significant change in the circumstances within its control. The Group has estimated that the potential future lease payments, should it exercise the extension option within the next 5 years, would result in an increase in lease liability of \$11.0 million (FY20: \$7.9 million).

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

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The group applies the short term lease and lease of low value assets recognition exemptions for these leases. Set out below are the carrying amounts of right-of use assets recognised and the movements during the period.

Right-of-use assets

Reconciliation of movement in carrying amounts from the beginning of year to end of year:

	Land and Buildings \$'000	Office furniture and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Carrying amount at 31 October 2019¹	22,759	1,255	15,449	39,463
Depreciation expenses	(4,885)	(428)	(4,898)	(10,211)
Additions to right-of-use assets	2,570	603	5,193	8,366
Foreign exchange	257	31	127	415
Carrying amount at 30 June 2020	20,701	1,461	15,871	38,033
Depreciation expenses	(8,444)	(1,505)	(7,945)	(17,894)
Additions to right-of-use assets	9,428	3,038	5,735	18,201
Foreign exchange	(1,004)	(216)	(480)	(1,700)
Carrying amount at 30 June 2021	20,681	2,778	13,181	36,640

¹ Transfer amount at 31 October 2019 is the balance of leases that was transferred on Demerge from Cardno. It includes the Recognition of right-of-use assets on initial application of AASB 16.

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

11. Leases Continued

Amounts recognised in profit or loss

	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets	17,894	10,211
Income from sub-lease right of use assets presented in other income	283	7
Interest on lease liabilities	1,911	980
Expenses relating to short-term leases	443	968
Expenses relating to leases of low-value assets, excluding short-term leases of low-value	91	9

Amounts recognised in statement of cash flows

	2021 \$'000	2020 \$'000
Total cash outflow for leases	17,519	8,655

12. Intangible Assets

Reconciliation of movement in carrying amounts from the beginning of year to end of year:

	Goodwill \$'000	Works Contracts \$'000	Customer Relationships \$'000	Customer Contracts \$'000	Total \$'000
Transfer Balance 31 October 2019¹	87,636	301	10,689	6,286	104,912
Amortisation charges	-	(187)	(3,695)	(2,055)	(5,937)
PPA Adjustments	29	-	-	-	29
Effect of foreign exchange	453	-	126	83	662
Carrying amount at 30 June 2020	88,118	114	7,120	4,314	99,666
Cost at 30 June 2020	88,118	3,412	16,451	9,135	117,116
Accumulated Amortisation at 30 June 2020	-	(3,298)	(9,331)	(4,821)	(17,450)
Carrying amount at 1 July 2020	88,118	114	7,120	4,314	99,666
Amortisation charges	-	(84)	(4,843)	(2,780)	(7,707)
Additions	-	139	-	-	139
Effect of foreign exchange	(3,937)	(5)	(512)	(376)	(4,830)
Carrying amount at 30 June 2021	84,181	164	1,765	1,158	87,268
Cost at 30 June 2021	84,181	3,455	15,239	8,339	111,214
Accumulated Amortisation at 30 June 2021	-	(3,291)	(13,474)	(7,181)	(23,946)
Carrying amount at 30 June 2021	84,181	164	1,765	1,158	87,268

¹ Transfer amount at 31 October 2019 is the carrying amount of Intangible assets that was transferred on Demerge from Cardno.

Amortisation of Intangibles

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is charged to the profit and loss on a systematic basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite life are not amortised but are systematically tested for impairment each year at the same time. Works contracts which are assigned a value are amortised over the life of the contract from the date they are available for use. Customer contracts and customer relationships are amortised over a period of three years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date.

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

12. Intangible Assets Continued

Impairment Testing

The carrying amount of goodwill allocated to each of the cash generating units (CGUs) for impairment testing is as follows:

	2021 \$'000	2020 \$'000
Americas	43,780	47,717
Asia Pacific (APAC)	40,401	40,401
	84,181	88,118

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing. In accordance with Intega's accounting policies, the Group performs its impairment testing annually or more frequently if required.

For the purposes of impairment testing, goodwill is allocated to Intega's management divisions which represent the lowest level within Intega at which the goodwill is monitored for internal management purposes.

The Group uses the value in use method to estimate the recoverable amount of each CGU. Value in-use is calculated based on the present value of cash flow projections over a five-year period and includes a terminal value at the end of year five.

The cash flow projections over the five-year period are based on the Group's budget for 2022 and year on year growth rates over the forecasted period based on management's estimates of underlying economic conditions, past performance and other factors anticipated to impact the CGU's performance. The long term growth rate used in calculating the terminal value is based on long term growth estimates for the countries and industries in which the CGU operates.

The cash flows are discounted to their present value using a post-tax discount rate on a weighted average cost of capital adjusted for country and industry specific risks associated with the CGU.

Group overhead and corporate costs are allocated to the individual CGUs for impairment testing purposes.

Results of Impairment Testing

No impairment was recognised during the year as all CGU recoverable amounts were in excess of carrying values.

Key Assumptions

The key assumptions used in the estimation of recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of factors impacting the relevant regions and industries in which the CGUs operate and have been developed taking into consideration relevant forecast and historical data from both external and internal sources.

	EBITDA Margins ¹	Terminal Growth Rate	Revenue Growth Rate	Pre-Tax Discount Rate
Americas	16.3%-17.3%	2.0%	2.0%	11.03%
APAC	17.6%-17.6%	2.25%	2.0%	11.40%

¹ EBITDA margins are applied to net fee revenue, being gross revenue less recoverable costs.

Impact of Possible Changes in Key Assumptions

The determination of the recoverable amounts of the Group's CGU's involves significant estimates and judgements and results are subject to the risk of adverse and sustained changes in the markets in which the Group operates. Any variation in the key assumptions would impact on the assessed recoverable amount both positively and negatively.

Adjustments have been made in the cash flow projections to reflect the estimated impact of COVID-19, the full extent and duration of its impact remains a key estimate and judgement. Management have considered sensitivities to the recoverable amount by varying the discount rate, long term growth rate and EBITDA margins in the model. EBITDA margin is the most sensitive however, holding the lower end of the EBITDA margin constant or reducing it by 1% with no revenue growth did not result in impairment in any of the CGU's.

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13. Trade & Other Payables

	2021 \$'000	2020 \$'000
Trade payables & accruals	31,782	40,039
Vendor liability	-	6,558
	31,782	46,597

Accounting for Trade & Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to Intega, and are stated at cost. Trade accounts payable are normally settled within 60 days.

Vendor liabilities are recognised at the present value of estimated future payments of deferred consideration.

14. Loans & Borrowings

	2021 \$'000	2020 \$'000
CURRENT		
Lease liabilities	13,763	13,641
Hire Purchase Liability	1,049	-
	14,812	13,641
NON-CURRENT		
Lease liabilities	28,875	31,799
Hire Purchase Liability	524	79
Bank loans	51,787	73,199
	81,186	105,077
TOTAL CURRENT & NON-CURRENT LOANS & BORROWINGS	95,998	118,718

Interest Bearing Borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss over the period of the borrowings on an effective interest rate basis.

Bank Loans

Intega's debt facility is a three-year multi-currency cash advance and letter of credit syndicated facility, expiring in October 2022.

The Group has bank loans of \$51.8 million as at 30 June 2021 (2020: \$73.2 million) with a weighted average interest rate of 2.97% (2020: 3.86%). Funding available to the group from undrawn facilities is \$36.2 million (2020: \$14.8 million).

The Group's debt facilities include certain financial covenants which are tested quarterly. For covenant purposes, any impact of AASB 16 on the financial undertakings calculations are removed. Debt for covenant calculation purposes at 30 June 2021 was \$65.0 million (2020: \$86.0 million). A breach of a financial covenant would represent an event of default under the terms of the debt facilities. At 30 June 2021, no event of default had occurred.

Under the terms of the facility agreement, the Company and a number of its wholly-owned subsidiaries jointly and severally guarantee and indemnify the banks in relation to each borrower's obligations.

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

14. Loans & Borrowings Continued

\$'000	Loans and borrowings
Balance as at 1 July 2020	118,718
Changes from financing cash flows	
Proceeds from borrowings	15,000
Repayment of borrowings	(32,798)
Payment of lease liabilities	(17,519)
Total changes from financing cash flows	83,401
Other changes	
New leases	18,201
Lease interest paid	(1,911)
FX on Debt Drawn	(3,693)
Total other changes	12,597
Balance as at 30 June 2021	95,998

15. Provisions

	2021 \$'000	2020 \$'000
CURRENT		
Provision for legal claims	1,674	1,745
	1,674	1,745

Accounting for Provisions

A provision is recognised in the Statement of Financial Position when Intega Group has a present legal, equitable or constructive obligation as a result of a past event, and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain. If the effect is material, provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Group makes provision for legal claims not covered by the Group's professional indemnity insurance policy and as at 30 June 2021 an estimate of the potential impact of these claims has been provided for.

16. Issued Capital

	30 June 2021		30 June 2020	
	No. of Shares	\$'000	No. of Shares	\$'000
Balance at the beginning of the year	445,266,405	136,951	1	-
Shares issued during the year:				
• Shares issued for cash (net of transaction-costs)	-	-	-	-
• Employee share-based payments ¹	-	368	-	191
• Share buy-back ²	(27,032,440)	(9,816)	-	-
• Shares issued for performance rights	83,665	-	516,910	-
• Share issued as part of the demerger	-	-	444,749,494	136,760
Balance at the end of the year	418,317,630	127,503	445,266,405	136,951

¹ Employee Share-based payments expense for FY21 totalled \$368,070.

² As part of the capital management program, on 29th October 2020 the Group announced the implementation of an on-market buyback of up to 10% of Intega ordinary shares commencing 17th March 2021 for a 12-month period. During the year a total of 27,032,440 ordinary shares were bought back at an average price of \$0.36.

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

16. Issued Capital Continued

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

All shares are ordinary shares and have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the process from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of members.

Performance Equity Plan (PEP)

Intega established the Intega Group Limited Performance Equity Plan ('Plan') to assist in the motivation, retention and reward of certain employees. The Plan provides flexibility for the Group to offer rights or options as incentives, subject to the terms of individual offers and the satisfaction of performance and/or service conditions determined by the Board.

The PEP is designed to reward strong performance by individuals within the Intega Group of companies. Performance Rights and Options are issued under the PEP (made in accordance with thresholds set in the plan approved by the board in FY20) which provides certain employees (as determined by the Board) with the right to acquire shares in the Company, or the option to acquire shares in the Company.

Each right or option is granted to the employee for no consideration and vest upon the achievement of specified performance hurdles.

2021 LTI Plan Performance Hurdles:

Indeterminate Rights are issued in two tranches (subject to the employee continuing employment with the Intega Group):

Tranche 1: Indexed Total Shareholder Return (TSR)

The TSR benchmark measure is the ASX Small Industrials total return Index, with vesting criteria subject to Intega's performance against this index.

- 100% Vest at Stretch with no ability to earn above target
- 50% vest at Target, vesting at pro-rata rate from target to stretch
- 25% vest at threshold, vesting at a pro-rate rate from threshold to target.
- 0% vest at below threshold, vesting at pro-rata rate from below threshold to threshold.

Performance Level	Intega's TSR Vs Annualised Index TSR	% of Tranche Vesting.
Stretch	≥ Index Return + 18% TSR per annum	100%
Target	= Index Return + 9% TSR per annum	50%
Threshold	= Index Return + 5% TSR per annum	25%
Below Threshold	< Index Return + 5% TSR per annum	0%

Tranche 2: EBITDA Per Share Growth

- 100% Vest at Stretch with no ability to earn above target
- 50% vest at Target, vesting at pro-rata rate from target to stretch
- 25% vest at threshold, vesting at a pro-rate rate from threshold to target.
- 0% vest at below threshold, vesting at pro-rata rate from below threshold to threshold.

Performance Level	EBITDA per Share Growth (CAGR)	% of Vesting
Stretch	≥ 15%	100%
Target	10%	50%
Threshold – Min Acceptable Outcome	8%	25%
Below Threshold	<8%	0%

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16. Issued Capital Continued

2020 LTI Plan Performance Hurdles:

Options issued under the FY20 plan were for retention purposes and as such are not subject to performance hurdles. The options will vest on the third anniversary of the grant date subject to the employee continuing employment at Intega Group.

2019 Pre Demerger LTI Plan Performance Hurdles:

2019 Pre Demerger LTI Plan Performance Rights are subject to a combined Group EBITDA performance hurdle.

The Rights will vest on 1 November 2021. 50% or more of the Performance Rights will vest subject to the Combined EBITDA hurdle for the full 2021 financial year being \$73.5 million, with the remaining 50% vesting in straight line growth against a Combined EBITDA of \$77.5 million.

Combined EBITDA will be determined by the Board according to the following formula:

Combined EBITDA = Cardno EBITDA + Intega EBITDA

EBITDA means, in relation to an entity, the audited consolidated profit from ordinary activities of that entity before borrowing costs and income tax, plus depreciation, plus amortisation of identifiable, intangible assets for the relevant corporate group, determined on a consistent basis with the entity's statutory accounts, adjusted for the impact of any acquisition, divestment or changes to the planned capital expenditure determined by the Board of that entity in its absolute discretion at the time of the acquisition, divestment or change to planned capital expenditure.

2018 Pre Demerger LTI Plan Performance Hurdles:

The 2018 Pre Demerger LTI Plan Performance Rights are allocated in two equal tranches: 50% is subject to the Share Price performance hurdle and 50% is subject to a Group EBITDA performance hurdle. These conditions are tested independently.

The Performance Rights are subject to performance hurdles of Share Price (Tranche 1: 50%), the volume weighted average price of Shares at the close of trading over a 20 day trading period immediately prior to the Company's 2020 AGM, must be a combined Share Price of at least \$1.10 per share and, the combined underlying EBITDA (Tranche 2: 50%) for the full 2020 financial year must exceed \$60 million (adjusted for acquisitions).

The Performance rights granted under the 2018 Pre-Demerger LTI Plan were due to vest on 1 November 2020. The combined share price hurdle was tested and it was determined this hurdle was not satisfied and this portion of the Performance Rights lapsed on 1st November 2020. The Group combined underlying EBITDA performance hurdle was satisfied under the 2018 Pre Demerger plan.

The movements in the performance rights and options are as follows:

	Number of Options 2021	Number of Performance Rights 2021	Number of Options 2020	Number of Performance Rights 2020
Outstanding at the beginning of the period	1,584,158	216,862	-	-
Issue of replacement award	-	-	-	216,862
Granted during the period ¹	-	4,160,000	1,584,158	-
Exercised during the period	-	(39,551)	-	-
Vested during the period	-	-	-	-
Cancelled/lapsed during the period	-	(39,551)	-	-
Outstanding at the end of the period	1,584,158	4,297,760	1,584,158	216,862
Exercisable at the end of the period	-	-	-	-

¹ 4,160,000 Indeterminate performance rights were issued in FY2021

Performance Rights were valued for accounting and reporting purposes using the Monte Carlo simulation and Black Scholes method.

As there were no market-based performance hurdle it is appropriate to value the Options using the Binomial method.

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16. Issued Capital Continued

The below table outlines the key assumptions.

Assumption at fair value date	TSR Fair Value 2021	EBITDA Fair Value 2021	Fair Value 2020	Revised Fair Value 2019	Original Fair Value 2019
Share Price	\$0.275	\$0.275	\$0.51	\$0.565	\$1.08
Risk Free Rate	0.10%	0.10%	0.71%	0.80%	-
Volatility	60% first year, 40% thereafter	60% first year, 40% thereafter	50%	40%	-
Fair value	\$0.149	\$0.275	\$0.202	\$0.565	\$1.080
Exercise price	-	-	\$0.735	-	-

As Intega first listed on 24 October 2019, there is limited trading history on which to base a volatility estimate. Instead the volatility has been based on the daily closing share price volatility of comparable entities at the indicative valuation date.

17. Dividends

The Company declared unfranked dividends on ordinary shares for the financial year ended 30 June 2021 of 2.4 cents per share, being an interim dividend of 1.0 cents per share and a final dividend of 1.4 cents per share. The record date of the final dividend is 2 September 2021 with payment to be made on 30 September 2021.

Details of dividends in respect of the financial year are as follows:

Dividends paid by the company to members since the end of the previous financial year were:

	2021 Cents per share	2021 \$'000	Date of Payment
<i>Declared and paid during the year</i>			
Interim dividend (Unfranked)	1.0	4,253	21 April, 2021

Declared after end of year

After the balance sheet date the following dividends were proposed by the Directors.

	2021 Cents per share	Record Date	Date of Payment
<i>Dividends Determined in respect of the period</i>			
Final dividend (Unfranked)	1.4	2 September, 2021	30 September, 2021

The financial effect of the final dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2021 and will be recognised in subsequent financial reports.

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18. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Intega 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 the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Impairment of goodwill and assumptions applied in estimating future cash flows – refer to Note 12.
- Revenue recognition in relation to long term contracts including estimating stage of completion and total contract costs – refer Note 2.
- Recognition of deferred tax assets – availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised – refer to Note 6 and 30.
- Assessing the recoverability of trade receivables and contract assets – measurement of ECL allowance and key assumptions in determining the weighted average loss rate - refer to Note 8, 9 and 19; and
- Lessee accounting under AASB 16 – lease terms and whether the Group is reasonably certain to exercise extension options and calculation of the incremental borrowing rate – refer Note 11.

19. Financial Risks

Determination of fair values

In determining fair value measurement for disclosure purposes, the Group uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Fair values of financial instruments

Other than loans and borrowings, the Group's financial assets and liabilities at 30 June 2021 are included in the balance sheet at amounts that approximate fair values. The Group does not have any derivative financial instruments at 30 June 2021.

The fair value of loans and borrowings represents level 2 in the fair value hierarchy and have been determined using the carrying amount of loans repayable to debt providers. The difference between the carrying amount and fair value of loans and borrowings represents unamortised capitalised borrowing costs.

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19. Financial Risks Continued

Financial risk management

The main risks arising from Intega's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. Intega 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 foreign exchange risks and ageing analysis for credit risk. The Board through the Audit, Risk & Compliance Committee (ARCC) reviews and agrees policies for managing these risks and ensures that risk management strategies are implemented in the business. A Quality Management System supports consistent risk mitigation practices and procedures in order to maintain a consistent level of quality across Intega which includes the minimisation of risk. The policies for managing each of Intega's financial risks are summarised below.

Credit risk

Credit risk is the risk of financial loss to Intega if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Intega's receivables from customers.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised below.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers in accordance with the policy.

Intega does not require collateral in respect of financial assets.

In line with the Group's Treasury policy, cash and investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than a rating approved by the ARCC. The Treasury policy is reviewed by the ARCC annually.

There are no material concentrations of credit risk. Identifying concentrations of risk requires judgement in light of specific circumstances, and may arise from industry sectors, geographic distribution or a limited number of counterparties.

Trade receivables and contract assets

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was

	2021 \$'000	2020 \$'000
Australia & New Zealand	16,413	18,508
Americas	38,009	45,161
Europe & Africa	825	276
	55,247	63,945

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19. Financial Risks Continued

The ageing of Intega's trade receivables at the reporting date was:

	2021		2020	
	Gross \$'000	Impairment \$'000	Gross \$'000	Impairment \$'000
Not past due (current)	31,355	87	37,966	151
Past due 0-30 days (30 day ageing)	12,685	78	12,018	109
Past due 31-60 days (60 day ageing)	4,462	70	7,439	186
Past due more than 60 days (>90 day ageing)	14,771	7,791	15,491	8,523
	63,273	8,026	72,914	8,969

The maximum exposure to credit risk for contract assets at the reporting date by geographic region was:

	2021 \$'000	2020 \$'000
Australia & New Zealand	406	98
Americas	18,209	23,461
Europe & Africa	1,983	2,760
	20,598	26,319

The ageing of Intega's contract assets at the reporting date was:

	2021		2020	
	Gross \$'000	Impairment \$'000	Gross \$'000	Impairment \$'000
Unbilled (current)	15,056	-	16,500	-
Unbilled 0-30 days (30 day ageing)	3,767	-	5,371	-
Unbilled 31-60 days (60 day ageing)	762	-	2,461	-
Unbilled more than 60 days (>90 day ageing)	1,267	507	2,516	529
	20,852	507	26,848	529

Intega establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables and contract assets.

Expected credit loss assessment

The movement in the provision for impairment in respect of trade receivables of Intega during the year was as follows.

	2021 \$'000	2020 \$'000
Balance at 1 July	8,969	-
Demerger Balance 31 Oct 2019	-	7,999
Additions to provision	226	1,475
Receivables written off	(711)	(511)
Effect of foreign exchange	(458)	6
Balance at 30 June	8,026	8,969

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19. Financial Risks Continued

Liquidity risk

Liquidity risk is the risk that Intega will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Intega aims to maintain flexibility in funding by keeping sufficient committed credit lines available to meet Intega's requirements.

The following are the contractual maturities of financial liabilities at the reporting date, including estimated interest payments and excluding the impact of netting agreements:

30 June 2021	Carrying amount \$'000	Contractual Cash Flow \$'000	Less than 1 year \$'000	1-5 years \$'000	Over 5 years \$'000
Non-derivative financial liabilities					
Trade and other payables	31,782	31,782	31,782	-	-
Lease liabilities	44,211	51,261	18,357	30,937	1,967
Bank Loans	51,787	53,840	1,540	52,300	-
	127,780	136,883	51,679	83,237	1,967
30 June 2020					
Non-derivative financial liabilities					
Trade and other payables	46,597	46,597	46,597	-	-
Lease liabilities	45,519	60,708	18,487	40,064	2,157
Bank Loans	73,199	79,778	2,823	76,955	-
	165,315	187,083	67,907	117,019	2,157

Bank loans are revolving syndicated facilities, one of which is in USD, two of which are AUD maturing in October 2022.

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the functional currency of the respective Group entities. Intega operates internationally and is exposed to foreign exchange risk arising from the currency exposure to the Australian dollar.

Intega does not engage in any transactions that are of a speculative nature.

Intega borrows funds in foreign currencies to hedge its net investments in foreign operations. Intega has drawn under its facility agreement in USD denominated AUD denominated currency to align to the earnings of the businesses and minimise the foreign exchange risk.

As at 30 June 2021, a 10 per cent strengthening of the Australian dollar against the USD would have increased equity by \$1.6 million (2020: \$3.9 million). A 10 per cent weakening of the Australian dollar against the USD would have decreased equity by \$1.9 million (2020: \$4.8 million).

Other than interest bearing liabilities, there are no other significant foreign currency exposures in relation to financial instruments at year end.

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19. Financial Risks Continued

Interest rate risk

Intega manages its exposure to interest rate fluctuation by continuously monitoring its debt to ensure any significant movement would not have a material impact on the performance of Intega. Intega does not engage in any transactions which are of a speculative nature.

At the reporting date the interest rate profile of Intega's interest-bearing financial instruments was:

	2021		2020	
	Effective Interest Rate	Balance \$'000	Effective Interest Rate	Balance \$'000
Variable rate instruments				
Cash Assets	0.14%	19,645	0.14%	40,029
Bank Loans	2.97%	(51,787)	3.86%	(73,199)
		(32,142)		(33,170)
Fixed rate instruments				
Lease liabilities	6.63%	(44,211)	3.16%	(45,519)
		(44,211)		(45,519)

Group sensitivity

Cash flow sensitivity analysis for variable rate instruments

At 30 June 2021, if interest rates had changed by +/- 50 basis points from the year-end rates with all other variables held constant, profit after tax for the year would have been \$112,000 higher/lower (2020: \$116,000 higher/lower), mainly as a result of lower/higher interest expense on variable term debt partially offset by higher/lower interest income from cash and cash equivalents. There have been no changes in the underlying assumptions from the previous year.

Capital management

Intega's objectives when managing capital are to safeguard its ability to continue as a going concern, so that the Company can maintain an optimal capital structure to reduce the cost of capital.

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

20. Contingent Liabilities

Intega had contingent liabilities at 30 June 2021 in respect of:

	2021 \$'000	2020 \$'000
Bank guarantees utilised	3,490	2,957
	3,490	2,957

Intega has bank guarantee facilities with financial institutions denominated in Australian dollars and United States dollars. These facilities available to Intega total \$18.3 million (2020: \$19.2 million) and are secured jointly and severally by the company and a number of its wholly owned subsidiaries.

The Directors are not aware of any current material litigation involving Intega. The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

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21. Subsequent Events

On the 9 June 2021, Intega announced that the Board had commenced a strategic review with the objective of maximising shareholder value including by exploring ownership options for Intega. This review is ongoing.

Subsequent to year end:

- Intega acquired a Stormwater Compliance Company in the US. The business was acquired for \$1.6M USD. It will be integrated into the Americas segment; and
- the Board declared a final unfranked dividend of 1.4 cents per share.

Other than the matters discussed above, there has not arisen in the interval between year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

22. Other Current Assets

	2021 \$'000	2020 \$'000
Prepayments	2,320	3,499
Security deposits	583	566
	2,903	4,065

23. Notes to the Cash Flow Statement

	2021 \$'000	2020 \$'000
Reconciliation of Net Cash from Operating Activities to Net profit for the year		
Net profit for the year	5,082	4,064
Adjust for non-cash items		
Depreciation and amortisation	31,751	20,964
Gain on sale of property, plant & equipment	(497)	(196)
Write back of deferred settlement on acquisition	-	(2,500)
Unrealised foreign exchange loss	1,074	909
Share based remuneration	368	191
Adjust for changes in assets and liabilities:		
(Increase)/decrease in assets:		
Contract assets	3,895	(5,107)
Deferred tax assets	799	(2,314)
Trade receivables	6,423	7,486
Provision for doubtful debts	(944)	970
Other receivables	(1,795)	(508)
Prepayments	993	(1,527)
Other assets	(46)	(1,569)
Increase/(decrease) in liabilities:		
Trade payables	(5,840)	12,759
Income tax payable	(859)	1,202
Employee provisions	108	725
Contract liabilities	308	1,345
Other liabilities	(120)	132
Deferred tax liabilities	(406)	(697)
	40,294	36,329

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24. Earnings Per Share

	2021	2020
Basic profit attributable to ordinary shareholders	\$5,082,000	\$4,064,000
Weighted average number of ordinary shares	No.	No.
Issued ordinary shares at 1 July	445,266,405	1
Issue of ordinary shares on demerge	-	271,194,511
Issue of ordinary shares during the year	55,013	-
Effect of share buyback	(7,433,604)	-
Weighted average number of ordinary shares at 30 June	437,887,814	271,194,512
Basic earnings per share (cents per share)	1.16	1.50
Diluted earnings per share		
Profit attributable to ordinary shareholders (diluted)	\$5,082,000	\$4,064,000
Weighted average number of ordinary shares (diluted)	No.	No.
Issued ordinary shares at 1 July	445,266,405	1
Issue of ordinary shares on demerge	-	271,194,511
Issue of ordinary shares during the year	55,013	-
Effect of Performance Rights and Options on issue	2,633,760	132,132
Effect of share buyback	(7,433,604)	-
Weighted average number of ordinary shares (diluted) at 30 June	440,521,574	271,326,644
Diluted earnings per share (cents per share)	1.15	1.50

Performance Rights and Options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share (EPS). Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share.

Intega Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share Performance Rights and Options and granted to employees.

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25. Related Party Disclosures

Key management personnel

Key management personnel compensation included in employee benefits are as follows:

	2021 \$	2020 \$
Short-term employee benefits	1,630,530	1,205,476
Post-employment benefits	79,268	50,471
Equity compensation benefits	241,981	103,661
	1,951,779	1,359,608

No Director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Cardno Group Limited (Cardno) is considered a related party due to common control held by Crescent Capital Investments in both companies. Intega and Cardno also share some common Non-Executive Directors, namely Messrs Alscher, Forbes and Sherman.

Transitional Service Agreement

As part of the demerger, Cardno and Intega Group continued the transitional Service Agreements (TSA) for the provision of transitional services for the first 6 months of FY21. All services provided under the TSA are charged at cost. Included in the year to date results is an expense of \$3,638,127 (FY20: \$10,425,480) relating to services provided to Intega Group under the TSA. There are no amounts outstanding to Cardno at the end of FY21.

The transitional services to be provided by Cardno to the Intega Group in FY21 include:

- Information technology services
- Finance related transitional services; and
- Taxation services and advice

Other key management personnel transactions with the Company or its controlled entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

None of these entities transacted with the Company or its subsidiaries in the reporting period.

During the financial year, prior to Leigh Whitton being appointed CFO his company, Capella Consulting Pty Ltd transacted for management consulting services during July 2020 to February 2021. These consulting fees totalled \$28,600 including GST. These services were priced on an arm's length basis and all balances have been paid before June 30, 2021.

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

26. Controlled Entities

Intega Group Limited's significant subsidiaries are listed below which were all acquired on 31 October 2019.

Name	Country of Incorporation	Equity Holding 2021	Equity Holding 2020
Construction Sciences Pty Ltd	Australia	100%	100%
Construction Sciences Staff Pty Ltd	Australia	100%	100%
Construction Sciences Roadtest Pty Ltd	Australia	100%	100%
Construction Sciences Geotech Pty Ltd	Australia	100%	100%
Kurtway Pty Ltd	Australia	100%	100%
Network Geotechnics Pty Ltd	Australia	100%	100%
Trilab Pty Ltd	Australia	100%	100%
Suresearch Australia	Australia	100%	100%
Construction Sciences Aus Pty Ltd	Australia	100%	100%
Utility Locating Pty Ltd	Australia	100%	100%
PPI Australia Pty Ltd	Australia	100%	100%
Intega Canada Holdings Limited	Canada	100%	100%
T2 Utility Engineers Inc	Canada	100%	100%
Intega UK Holdings	United Kingdom	100%	100%
PPI Quality & Asset Management (Singapore) Pte Ltd	Singapore	100%	100%
PPI Quality & Engineering UK Ltd	United Kingdom	100%	100%
PPI Trinidad Ltd	Trinidad & Tobago	100%	100%
Intega South Africa Holdings Pty Ltd	South Africa	100%	100%
PPI Mozambique, LDA	Mozambique	100%	100%
Intega Holdings Limited	New Zealand	100%	100%
Intega Inc	United States of America	100%	100%
PPI Quality & Engineering LLC	United States of America	100%	100%
Construction Sciences LLC	United States of America	100%	100%
T2 UES, Inc	United States of America	100%	100%
T2 UES (MI) Inc	United States of America	100%	100%
Raba Kistner Inc	United States of America	100%	100%
T2 Engineering Services	United States of America	100%	100%
Project Control of Texas, Inc	United States of America	100%	100%
Rava Ingenieros S.De.R.L.DeC.V.	Mexico	100%	100%
PPI Mozambique LDA	Mozambique	100%	100%
Construction Sciences NZ Limited	New Zealand	100%	100%

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27. Parent Entity Disclosure

As at, and throughout, the financial year ending 30 June 2021 the parent Company of Intega was Intega Group Limited.

	Company	
	2021 \$'000	2020 \$'000
Results of the parent entity		
Loss for the year	(4,074)	(4,933)
Total comprehensive income for the year	(4,074)	(4,933)
Financial position of the parent entity at year end		
Current assets	3,146	592
Total assets	151,258	152,144
Current liabilities	18,293	8,610
Total liabilities	52,923	36,034
Total equity of the parent entity comprising of:		
Share capital	127,503	136,951
Reserves	1,471	1,471
Retained earnings (losses)	(30,639)	(22,312)
Total equity	98,335	116,110

Parent entity contingencies

Bank guarantees	3,490	2,942
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Bank guarantee facilities are available to Intega totalling \$18.2 million (2020: \$19.2 million). These facilities are secured jointly and severally by the Company and a number of its wholly-owned subsidiaries.

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed below in Note 28.

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

28. 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 lodgement of financial reports, and Directors' reports. It is a condition of the Legislative Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full for any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- Construction Sciences Pty Ltd
- Construction Sciences Staff Pty Ltd
- Construction Sciences Roadtest Pty Ltd
- Construction Sciences Geotech Pty Ltd
- Kurtway Pty Ltd
- Network Geotechnics Pty Ltd
- Trilab Pty Ltd
- SureSearch Australia Pty Ltd
- Utility Locating Pty Ltd
- Construction Sciences AUS Pty Ltd
- PPI Australia Pty Ltd

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities 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 2021 is set out as follows.

	2021 \$'000	2020 \$'000
Statement of comprehensive income and retained earnings		
Revenue	133,070	89,763
Employee expenses	(85,145)	(58,141)
Consumables and materials used	(23,940)	(15,141)
Sub-consultant and contractor costs	(944)	(997)
Depreciation and amortisation expenses	(13,340)	(8,402)
Finance costs	(2,219)	(818)
Other expenses	(4,877)	(10,453)
Profit/ (Loss) before income tax	2,605	(4,189)
Income tax benefit	99	836
Net Profit/ (Loss) for the year	2,704	(3,353)
Other comprehensive income for year	-	-
Total comprehensive income for the year	2,704	(3,353)
Retained earnings at opening	(15,353)	(12,005)
Transfers to and from reserves	-	5
Dividend Paid	(4,253)	-
Retained earnings at the end of the year	(16,902)	(15,353)
Attributable to:		
Owners of the company	(16,902)	(15,353)

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

28. Deed of Cross Guarantee Continued

	2021 \$'000	2020 \$'000
Statement of financial position		
Current Assets		
Cash and cash equivalents	6,349	12,465
Trade and other receivables	185,627	86,279
Contract assets	572	265
Other current assets	2,234	683
Total Current Assets	194,782	99,692
Non-Current Assets		
Investments	85,387	87,405
Property, plant and equipment	19,121	20,660
Right of use asset	6,257	5,234
Deferred tax assets	6,347	10,544
Intangible assets	40,401	41,011
Total Non-Current Assets	157,513	164,854
Total Assets	352,295	264,546
Current Liabilities		
Trade and other payables	177,634	80,321
Loans and borrowings	7,239	5,897
Short term provisions	7,950	7,247
Current Tax Payable	-	304
Total Current Liabilities	192,823	93,769
Non-Current Liabilities		
Interest-bearing loans and borrowings	47,064	40,780
Deferred tax liabilities	1,274	5,441
Employee benefits	1,419	1,487
Total Non-Current Liabilities	49,757	47,708
Total Liabilities	242,580	141,477
Net Assets	109,715	123,069
Equity		
Issued capital	127,503	136,951
Reserves	(886)	1,471
Retained earnings	(16,902)	(15,353)
Total Equity	109,715	123,069

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

29. AUDITOR'S REMUNERATION

	2021 \$'000	2020 \$'000
Audit and Review services		
Auditors of the Group KPMG		
• Audit and review of financial statements - Group	313,600	330,000
Overseas KPMG Auditors:		
• Audit and review of financial reports	19,248	18,804
Assurance Services		
Auditors of the Group KPMG		
• Other assurance services	-	20,000
Other Services		
Overseas KPMG Auditors		
• Tax compliance Services	6,749	6,087

30. Statement of Significant Accounting Policies

Intega Group Limited (the "Company") was first incorporated on 1st May 2019.

Intega Group Limited is a company domiciled in Australia. The consolidated financial report of the Company for the year ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial report was authorised for issue by the Directors on 26 August 2021.

a) Statement of compliance

The consolidated financial statements are general purpose financial statements which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements of the consolidated entity also comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

b) Basis of Preparation

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

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 dated 1 April 2016 and in accordance with that Legislative Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

Standards and interpretations adopted with no effect on financial statements.

The following new and revised standards and interpretations have been adopted in the current year and have no material impact on the amounts reported in these Consolidated Financial Statements

- AASB 2018-6 Amendment to Australian Accounting Standards – Definition of a Business;
- AASB 2018-7 Amendment to Australian Accounting Standards – Definition of Material; and
- AASB 2019-1 Amendment to Australian Accounting Standards – References to the conceptual Framework.

Changes to Significant accounting policy

The IFRIC has issued two final agenda decisions which impact Software-as-a-Service (SaaS) arrangements:

- Customers right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

Notes to the Consolidated Financial Statements

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

30. Statement of Significant Accounting Policies Continued

b) Basis of Preparation continued

Changes to Significant accounting policy continued

The group has historically had instances where they have capitalised costs related to the configuration and customisation of SaaS arrangements as Property, Plant and Equipment in the Statement of Financial Position.

The adoption of the above agenda decisions has resulted in the derecognition of previously capitalised costs as an opening balance adjustment to prior year.

The following table presents the impact of the 30 June 2020 restatement on the comparative information presented in the prior year annual report.

Consolidated statement of financial position

30 June 2020	As previously reported \$'000	Adjustments \$'000	As Restated \$'000
Property, Plant and Equipment	18,973	(255)	18,718
Total non-Current Assets	178,187	(255)	177,932
Total assets	313,664	(255)	313,409
Net assets	124,989	(255)	124,734
Retained earnings	(13,315)	(255)	(13,570)
Total Equity	124,989	(255)	124,734

Standards Issued not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted: however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations have not yet been assessed by the company to determine the impact, if any on the Group's consolidated financial statements:

- Onerous Contracts – Costs of fulfilling a Contracts (Amendments to AASB 137)
- Property, plant and equipment: Proceeds before intended use (Amendments to AASB 116)
- Sale or contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128)

Basis of Consolidation Subsidiaries

Subsidiaries are entities controlled by Intega. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by Intega.

A list of the significant subsidiaries is contained in Note 26 to the financial statements. All controlled entities have a June financial year-end.

Transactions eliminated on consolidation

Intra-group balances and transactions, unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

30. Statement of Significant Accounting Policies Continued

c) Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

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

d) Income Tax

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

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

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

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30. Statement of Significant Accounting Policies Continued

e) Intangible Assets

Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the original acquisition date, which is the date on which control is transferred.

Goodwill is measured at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that are incurred in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Works contracts, software intangibles and customer relationships

Aggregated works contracts, customer contracts and customer relationships are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which currently vary from 1 to 7 years.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud providers application software over the contract period. As such the Group does not receive a software intangible asset at contract commencement date.

For SaaS arrangements the group assesses if the contract will provide a resource that it can “control” to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider’s application software are recognised as operating expenses when incurred.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is charged to the profit and loss on a systematic basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite life are not amortised but are systematically tested for impairment each year at the same time. Works contracts which are assigned a value are amortised over the life of the contract from the date they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date.

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Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

30. Statement of Significant Accounting Policies Continued

f) Impairment

Non-financial assets

The carrying amount of non-financial assets, other than work in progress and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment test is performed. Impairment testing of goodwill and intangibles with indefinite useful lives is performed annually.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Employee Benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the period end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that are expected to be paid as at reporting date including related on-costs.

Long-term service benefits

The provisions for employee entitlements to long service leave and other deferred employee benefits represent the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date and include related on-costs. In determining the liability for long service leave, consideration has been given to future increases in wage and salary rates, and the consolidated entity's experience with staff departures.

Liabilities for employee entitlements which are not expected to be settled within 12 months are discounted using the rates attached to corporate bonds at balance date, which most closely match the terms of maturity of the related liabilities.

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30. Statement of Significant Accounting Policies Continued

g) Employee Benefits continued

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

h) Leases

The Group has lease contracts for various items of property, vehicles, office and other equipment.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain of obtaining ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the Group's assessment of whether it will purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease terms.

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30. Statement of Significant Accounting Policies Continued

h) Leases continued

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

i) Reserves

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign Group entities where their functional currency is different to the presentation currency of the reporting entity as well as from the translation of liabilities that offset the Company's net investment in a foreign subsidiary.

j) Intega Group Demerger

On the 21 August 2019, Cardno announced its intention to demerge its Quality, Testing and Measurement business to create an independent ASX listed company.

Effective 21 October 2019, Cardno shares ceased trading with an entitlement to Intega shares. On 22 October 2019, Intega Group Limited was listed as a separate standalone entity on the Australian Securities Exchange on a deferred settlement basis. Economic separation and distribution of Intega shares to shareholders became effective from 31 October 2019 with the transfer of businesses and the settlement of intercompany balances between the Intega Group and Cardno. The transfer of businesses and related net assets was recognised by Intega at the Cardno carrying amounts immediately prior to the transfer. Intega shares were transferred to eligible Cardno shareholders on 31 October 2019.

The statutory financial information for the Group represents 8 months of trading from period of demerge to the 30 June 2020. Prior to demerge the company operated as a holding entity.

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Directors' Declaration

Intega Group Limited and its Controlled Entities for the year ended 30 June 2021

1. In the opinion of the Directors of Intega Group Limited (the Company):
 - (a) the consolidated financial statements and notes set out on pages 22 to 62 and the Remuneration Report of the Directors' Report, set out on pages 9 to 19, are 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 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) 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. There are reasonable grounds to believe that the Company and Intega entities identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to *ASIC Corporations (Wholly Owned Companies) Instrument 2016/785*.
3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2021.
4. The Directors draw attention to Note 30 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Brisbane on the 26 day of August 2021.

Signed in accordance with a resolution of the Directors.



Neville Buch
Chairman



Independent Auditor's Report

To the shareholders of Intega Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Intega Group Limited (the Company).

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

- giving a true and fair view of the **Group's** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- consolidated statement of financial position as at 30 June 2021;
- consolidated statement of financial performance, consolidated statement of other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended;
- notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

The **Key Audit Matter** we identified is Revenue recognition – consulting services revenue.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – consulting services revenue (\$298m)	
Refer to Note 2 in the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Group's policy is to account for revenue earned from consulting services over time as the services are delivered. Revenue recognised which remains unbilled at year end is recorded as a contract asset.</p> <p>The recognition of consulting services revenue is a key audit matter due to the audit effort involved to assess the appropriateness of the revenue recognised, in particular revenue recognised near year end. 75% of the Group's revenue relates to consulting services revenue.</p> <p>The features of the Group's revenue recognition process driving our audit effort include:</p> <ul style="list-style-type: none"> the large volume of projects which remain in-progress at year end; the variability in contractual terms of these arrangements; and the judgements required by management to ensure contract asset balances at year end, and revenue recognised near year-end, reflect the effort incurred or estimates of the measure of progress in delivering services which is recoverable from customers. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> considering the appropriateness of the Group's accounting policies against the requirements of AASB 15 <i>Revenue from Contracts with Customers</i> (AASB 15) and our understanding of the business; for a sample of contracts we: <ul style="list-style-type: none"> compared the relevant features of the underlying professional services contracts to the criteria in the accounting standard and against identified performance obligations; inspected the key terms in the contract with the customer including pricing, deliverables, project commencement and end dates and contract type for consistency with the approach to recognising revenue; and conducted inquiries with the relevant project managers regarding the progress of the contract against key milestones in the contract, write ons/offers, progress against budget, and comparison of effort to recognised revenue. assessing contract assets remaining unbilled at year end by selecting a sample and verifying that revenue was recognised to the extent that time and materials had been incurred prior to 30 June 2021 with reference to contracts, timesheets or external invoices; and challenging the judgements applied by management in assessing the recoverability of contract asset balances at year end, where the revenue recognised in delivering the services was not considered to be recoverable from the customer.

Other information

Other Information is financial and non-financial information in Intega Group Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

http://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Intega Group Limited for the year ended 30 June 2021, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 9 to 19 of the Directors' Report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Erin Neville-Stanley
Partner

Brisbane
26 August 2021

Additional Shareholder Information

Distribution of Ordinary Shareholders

The number of shareholders, by size of holding, as at 31 July 2021 were:

	Ordinary Shares	
	Number of	Number of Shares
1 – 1,000	333	65,261
1,001 – 5,000	930	2,742,943
5,001 – 10,000	448	3,318,098
10,001 – 100,000	764	22,746,397
100,001 – and over	126	389,444,931
Total	2,601	418,317,630

As at 31 July 2021 there were 320 shareholders who held less than a marketable parcel of shares.

Twenty Largest Ordinary Shareholders

The names of the twenty largest holders as at 31 July 2021 were:

	Listed Ordinary Shares Number	
	Held	Percentage
CRESCENT CAPITAL INVESTMENTS	217,946,359	52.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	50,972,472	12.19
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	33,359,001	7.97
FIRST SAMUEL LTD CAN 086243567 <ANF ITS MDA CLIENCTS A/C>	17,425,943	4.17
CITICORP NOMINEES PTY LIMITED	13,918,130	3.33
NATIONAL NOMINEES LIMITED	13,542,556	3.24
GOTTERDAMERUNG PTY LIMITED <GOTTERDAMERUNG FAMILY A/C>	6,841,736	1.64
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,347,871	0.56
HALJAN MANAGEMENT LP	1,686,192	0.40
GEE SUPER PTY LTD <GEE SUPERANNUATION FUND A/C>	1,568,411	0.37
ACADIA PARK PTY LTD	1,250,000	0.30
ANNE FELICITY PHILLIPS	1,101,378	0.26
MR GREGORY SEGAL	800,000	0.19
PEDERICK ENTERPRISES PTY LTD <PEDERICK SUPER FUND A/C>	762,736	0.18
DR TREVOR CHARLES JOHNSON <THE JOHNSON FAMILY A/C>	687,779	0.16
FARR PTY LTD	653,000	0.16
JED ASSET CO PTY LTD <JED ASSET A/C>>	511,647	0.12
BNP PARIBAS NOMS PTY LTD <DRP>	508,806	0.12
MR ALNIS ERNST VEDIG + MRS RASMA VEDIG <VEDIG SUPER FUND A/C>	500,000	0.12
MR RICHARD FRANCIS WOODS + MRS THERESE WOODS <R & T WOODS SUPER FUND A/C>	497,928	0.12
Total	366,881,945	87.70

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Substantial Shareholders

The names of substantial shareholders who have notified the company in accordance with section 671B of the Corporations Act 2001 are:

	Number Held	Percentage
Crescent Capital Investments	228,891,883	54.60%
Alberta Investment Management Corp (AIMCo)	21,935,794	5.16%
Richmond Hill Capital Pty Ltd.	30,404,007	6.83%

Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Escrowed Shares

There are currently no shares held in escrow.

Rights

As at 31 July 2021 the details of Performance Rights on issue are as follows:

Number of Rights Holders	Number of Rights on Issue
8	4,297,760

Voting Rights of Rights

The ordinary shares issued on exercise of the rights will rank equally with all other ordinary shares.

Corporate Directory

Board of Directors

Chairman

Neville Buch

Directors

Michael Alscher

Nathaniel Thomson

Steve Sherman

Jeffrey Forbes

Chief Executive Officer

Matt Courtney

Chief Financial Officer

Leigh Whitton

Company Secretaries

Courtney Marsden

Registered Office

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ABN 70 633 194 920

Level 1

17 Byres Street

Newstead

QLD 4006 Australia

Phone + 61 7 3158 2700

Fax + 61 7 3153 9036

info@intega.net

www.Intega.net

Share Registry

Computershare Investor Services

Pty Limited

Level 1, 200 Mary Street

Brisbane QLD 4000

Phone 1300 552 270 (within Australia)

+61 3 9415 4000 (outside Australia)

www.computershare.com.au

Auditors

KPMG

Level 16, Riparian Plaza

71 Eagle Street

Brisbane QLD 4000

Phone +61 7 3233 3111

Fax +61 7 3233 3100

www.kpmg.com.au

Lawyers

Gilbert + Tobin Lawyers

Level 35, Tower Two

International Towers Sydney

200 Barangaroo Avenue

Barangaroo NSW 2000

Phone +61 2 9263 4000

Fax +61 2 9263 4111

www.gtlaw.com.au

Bankers

HSBC Bank Australia Limited

HSBC Bank USA

Perpetual Trust Services Limited

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