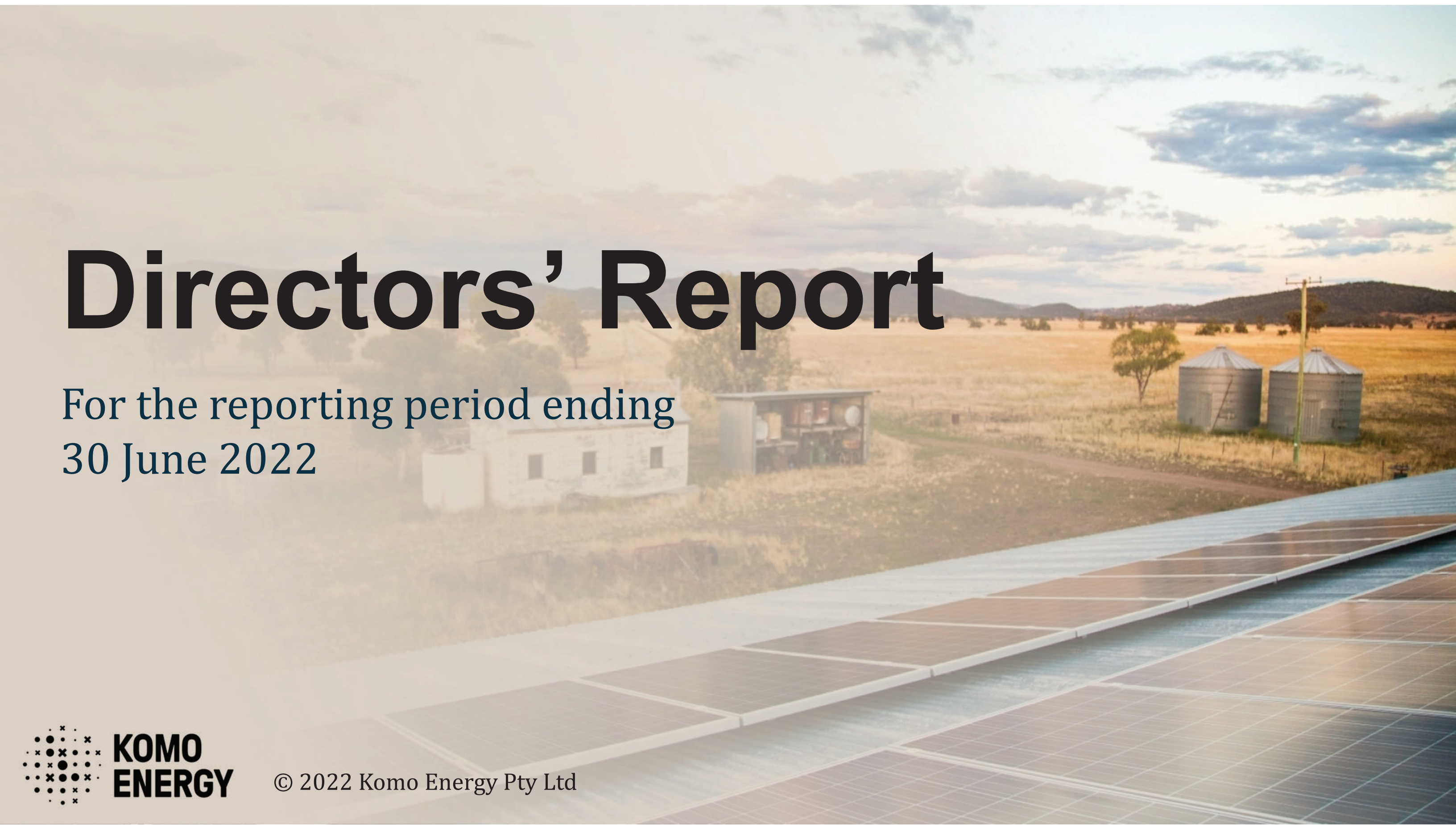

Directors’ Report

For the reporting period ending
30 June 2022

KOMO ENERGY

Content

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Background and Definitions

KOMO ENERGY

Background

In 2020, Komo Energy Pty Ltd ACN 618 126 622 (the "Company") has undertaken a crowd-sourced funding (CSF) process and has welcomed CSF shareholders to the Company.

The Company presents this Directors' Report for the Reporting Period. This Directors' Report is made in accordance with a directors' resolution passed on 30 October 2022 approving this Directors' Report. The Directors' Report also attaches the Consolidated Financial Statements. The Company is exempt from the requirement to have its financial report audited.

Signed for and on behalf of the Company:

Jonathan Edward Prendergast
Sydney, 30 October 2022

Gerald Arends
Brisbane, 30 October 2022

KOMO ENERGY

Definitions

In this Directors' Report, the following defined terms are used:

"Company" means Komo Energy Pty Ltd ACN 618 126 622.

"Komo Energy" means the Company and all its Subsidiaries.

"Reporting Period" means the financial year from 1 July 2021 to 30 June 2022 and covers, where required, also the period from 1 July 2022 to the date of this Directors' Report.

"Subsidiary" means each of Komo Service Pty Ltd ACN 645 429 483, Komo Precinct Pty Ltd ACN 620 029 334, Grong Grong Solar Farm Pty Ltd ACN 632 803 984, Grong Grong Solar 2 Pty Ltd ACN 632 804 052, Goulburn Community Solar Pty Ltd ACN 633 423 346, Gloucester Solar Project 1 Pty Ltd ACN 646 043 343.

Part A – General Information

General Information

This section provides general information about Komo Energy's operations and activities. Komo Energy is providing consolidated financial statements and, accordingly, the review of the operations and activities of Komo Energy includes the Company and the Subsidiaries.

Review of operations during the Reporting Period **Results of those operations**	***Continued development of own pipeline of projects*** In the Reporting Period, Komo Energy continued the development of its pipeline of community-scale energy projects. Komo Energy would highlight the following projects in its pipeline that have received significant attention in the public domain: • The Grong Grong Solar Farm/Haystacks Solar Garden is a 1.5 MW solar farm in Grong Grong (NSW) that receives funding under the Regional Community Energy Fund (RCEF) of the NSW Government. It will host the Haystacks Solar Garden, Australia's first large-scale solar garden. Komo Energy has completed significant development steps, including all grid modelling with Essential Energy and the modification of the development approval with Narrandera Shire Council. During the Reporting Period, Komo Energy invited seed investment into Grong Grong Solar Farm Pty Ltd and undertook a crowd-sourced finance (CSF) raise that ultimately led this SPV to cease being a controlled entity.	Section 299(1)(a) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Review of operations during the Reporting Period **Results of those operations**	• The Goulburn Dispatchable Solar is a 1.4 MW solar in Goulburn (NSW) that receives funding under the Regional Community Energy Fund (RCEF) of the NSW Government. The project is under option to Community Energy for Goulburn Inc. Komo Energy has completed significant development steps, including all grid modelling with Essential Energy and applied for the modification of the development approval with Goulburn Mulwaree Council. These projects are expected to begin construction in the next Reporting Period (see further below). Market conditions for the construction of solar farms and battery energy storage systems continued to be challenging during the Reporting Period. The world demand for steel, aluminium, copper and solar modules and rising shipping rates continue to contribute to cost increases. Labour market shortages in Australia make access to specialist consulting services and construction services more difficult. During the Reporting Period, the electricity and gas wholesale market prices surged significantly due to supply-side constraints and demand side pressures. While these events caused AEMO to temporarily suspend all mainland regions of the NEM, it also led to a significant recovery of power prices that support the viability of Komo Energy's projects and sets a market significant of continued investment in renewable power generation.	Section 299(1)(a) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Review of operations during the Reporting Period **Results of those operations**	***Expansion of own pipeline of projects*** In the Reporting Period, Komo Energy continued expanding its development pipeline of community-scale projects both in collaboration with community energy groups and out of its own initiative. In the Reporting Period, Komo Energy entered into a collaboration that provides access to capital for the development of a pipeline of up to 10 Projects. The activities under this arrangement will impact on the operational results only after the end of the Reporting Period. ***Provision of services to third party projects*** In the Reporting Period, Komo Energy has continued to provide consulting services to a range of community energy projects and commercial customers across activities ranging from project development to the structuring of power purchase agreements. Activities in this area included the provision of development services to the Cowra Microgrid project and the provision of industry expertise across a range of activities for the Yarra Valley Community Power Hub.	Section 299(1)(a) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Review of operations during the Reporting Period **Results of those operations**	***Fund raising campaign support*** Building on its expertise from having undertaken its own crowd-sourced finance (CSF) equity raise in 2020, Komo Energy supported the Grong Grong Solar Farm to undertake a crowd-sourced finance (CSF) raise on the Birchal platform. This raise demonstrated for the first time in the Australian market the use of the CSF regime for the funding of a community energy project and reached its maximum of $750,000 within only 8 days. ***Results of operation*** Komo Energy undertakes a significant part of its project development activities on its own account, seeking the risk and return associated with project development activities. These activities span multiple financial years and Komo Energy expects to incur losses during the initial financial years as the pipeline of projects expands.	Section 299(1)(a) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Review of operations during the Reporting Period **Results of those operations**	This effect is mitigated by Komo Energy providing some services on a consulting basis and the accounting effects of the de-consolidation of special purpose vehicles in the final stage of its development cycle, as demonstrated by the divestment of Grong Grong Solar Farm Pty Ltd. Komo Energy completed the 2021/2022 financial year with an operating profit of $108,260 on a consolidated basis. This outcome falls short of the directors' expectations, as the divestment of Goulburn Community Solar Pty Ltd has not yet been achieved. In the process of divestment of the Grong Grong Solar Farm, Komo Energy reduced its liabilities and increased its total equity.	Section 299(1)(a) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Details of any significant changes in the Komo Energy's state of affairs	***Transfer of operating activities*** In the Reporting Period, Komo Energy has finalised the transfer of the operating business into Komo Service (with the exception of minor run-off activities). Komo Service now holds nearly the entirety of the operating business. ***Divestment of Grong Grong Solar Farm*** With the introduction of seed funding into Grong Grong Solar Farm, Grong Grong Solar Farm ceased to be a controlled entity of Komo Energy and Komo Energy's holding was substantially diluted. With the introduction of CSF funding into Grong Grong Solar, Komo Energy's stake was further diluted, but that additional funding did not settle until after the end of the Reporting Period. The process of divestment of the Grong Grong Solar Farm is the final stage of Komo Energy's development model and demonstrates the final stage of the development cycle of divestment in operation. Komo Energy retains a commercial relationship with Grong Grong Solar Farm in the form of residual obligations under project development arrangements and for construction and asset management activities. In order to align the interests between Komo Energy and the investors into Grong Grong Solar Farm, Komo Energy retains a small stake in the Grong Grong Solar Farm. .	Section 299(1)(b) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Principal activities during the Reporting Period	Komo Energy continues to provide services in relation to: • project development • procurement • campaign support for community fund-raising / crowd-sourced finance (CSF) raising • grant funding support • PPA structuring and sourcing • construction management • asset management The provision of asset management services is expected to commence in the 2022/2023 financial year.	Section 299(1)(c) of the Corporations Act 2001 (Cth)
Significant changes in the nature of those activities during the Reporting Period	There have been no significant changes in the nature of the activities during the Reporting Period.	Section 299(1)(c) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Details of any matter or circumstance that has arisen since the end of the Reporting Period that has significantly affected, or may significantly affect: **(i) Komo Energy's operations in future financial years; or** **(ii) the results of those operations in future financial years; or** **(iii) Komo Energy's state of affairs in future financial years;**	There has not arisen in the interval between the end of the Reporting Period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of Komo Energy, to affect significantly the operations of Komo Energy, the results of those operations, or the state of affairs of Komo Energy in subsequent financial years.	Section 299(1)(d) of the Corporations Act 2001 (Cth)

KOMO ENERGY

General Information

Continued.

Likely developments in Komo Energy's operations in future financial years and the expected results of those operations	Komo Energy expects that supply chain markets and the construction sector will continue to provide challenges to the renewable energy industry, but these challenges can be offset due to a recovery of wholesale electricity markets and the recovery of the price for large-scale generation certificates (LGCs). Komo Energy expects that it will be able to substantially increase its development pipeline due to the divestment of its first projects and the establishment of collaboration for the funding of a further pipeline of project developments. Project development remains an activity that requires significant investment in the short-term (beyond a single financial year) with the results from these operational activities being registered in the medium-term in future reporting periods.	Section 299(1)(e) of the Corporations Act 2001 (Cth)
Komo Energy's performance in relation to environmental regulation	As at the date of Directors' Report and to the best of Komo Energy's knowledge, its operations have been and remain fully compliant with environmental regulation.	Section 299(1)(f) of the Corporations Act 2001 (Cth)

KOMO ENERGY

Part B – Specific Information

Specific Information

This section provides specific information about Komo Energy's operations and activities.

Name of each person who has been a director of the Company at any time during or since the end of the Reporting and the period for which they were a director	Jonathan Edward Prendergast was a director during the Reporting Period and since the end of the Reporting Period to the date of this Directors' Report. Jonathan was appointed as a director on 22 March 2017. Gerald Arends was a director during the Reporting Period and since the end of the Reporting Period to the date of this Directors' Report. Gerald was appointed as a director on 10 May 2017.	Section 300(1)(c) of the Corporations Act 2001 (Cth)

KOMO ENERGY

Specific Information

This section provides specific information about Komo Energy's operations and activities.

Indemnities given and insurance premiums paid during or since the end of the Reporting Period for a person who is or has been an officer.	Komo Energy is party to Deeds of Indemnity with each of Jonathan Edward Prendergast (director) and Gerald Arends (director). Under these Deeds of Indemnity, the Company must indemnify the directors for any loss which the directors may incur, or be liable for, arising from, or in connection with, the directors' position as an officer of the Company. The Deeds of Indemnity do not apply to the extent that such an indemnity is prohibited by law, including (amongst others) the prohibitions under section 199A of the *Corporations Act 2001* (Cth). The Company has not made any payment under the Deeds of Indemnity nor taken any other action to indemnify either of the directors. Under the Deeds of Indemnity, the Company is required to procure directors' liability insurance. However, to-date, the Company has not yet procured any directors' liability insurance or paid any insurance premiums for such insurance.	Section 300(1)(g), section 300(8) and section 300(9) of the Corporations Act 2001 (Cth)

KOMO ENERGY

Specific Information

Continued.

Items on which the Company has nothing to report	The Company has nothing to report against the following requirements: • section 300(1)(a) of the *Corporations Act 2001* (Cth) • section 300(1)(b) of the *Corporations Act 2001* (Cth) • section 300(1)(ca) of the *Corporations Act 2001* (Cth) • section 300(1)(d) of the *Corporations Act 2001* (Cth) • section 300(1)(e) of the *Corporations Act 2001* (Cth) • section 300(1)(f) of the *Corporations Act 2001* (Cth) • section 300(14) of the *Corporations Act 2001* (Cth) • section 300(15) of the *Corporations Act 2001* (Cth)	

KOMO ENERGY

Part C – Consolidated Financial Statements

Komo Energy Pty Ltd and its Controlled Subsidiaries

ABN 16 618 126 622

Financial Report

For the year ended
30 June 2022

2022

Contents

The directors present their report on Komo Energy Pty Ltd (the "Company") and its Controlled Subsidiaries (collectively the "Group") for the financial year ended 30 June 2022.

Directors

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

- Jonathan Edward Prendergast
- Gerald Arends

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

Review of Operations

The consolidated profit of the Group for the financial year after providing for income tax amounted to $108,260 (2021: Profit of $28,713).

A review of operations of the Group during the financial year and the results of those operations found that during the year, the Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in the State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the Group involves accelerating the growth of renewable energy in Australia by helping regional communities to develop mid-scale solar projects.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

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

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

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

No shares or interests in the Company or controlled subsidiaries have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Director	Gerald Arends	Dated this	28	Day of	October	2022
Director	Jonathan Edward Prendergast	Dated this	28	Day of	October	2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 $	2021 $
CONTINUING OPERATIONS			
Revenue	2	434,911	487,911
Other income	2	644	490,123
Profit from investments in associates		92,401	-
Gain attributable to losing control of subsidiaries		131,294	-
TOTAL INCOME		659,250	978,034
EXPENSES			
Accounting fees		(8,250)	-
Project expenses		(292,800)	(551,995)
Administrative expenses		(177,359)	(240,777)
Superannuation expense		(9,872)	(3,293)
Employment expenses		(98,976)	(35,987)
Other expenses		(1,638)	(821)
TOTAL EXPENSES		(588,895)	(832,873)
PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE		70,355	145,161
Income tax (expense) / benefit	5	37,905	(116,448)
PROFIT / (LOSS) FOR THE YEAR		108,260	28,713
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		108,260	28,713

The accompanying notes form part of these financial statements.

	NOTE	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	234,690	388,936
Trade and other receivables	7	37,769	88,693
TOTAL CURRENT ASSETS		272,459	477,629
NON-CURRENT ASSETS			
Investments in associates	4	97,401	-
Deferred tax asset	9	46,929	8,348
TOTAL NON-CURRENT ASSETS		144,330	8,348
TOTAL ASSETS		416,789	485,977
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	46,781	28,044
Accruals	10	8,250	6,500
Current tax liabilities	9	-	124,802
TOTAL CURRENT LIABILITIES		55,031	159,346
NON-CURRENT LIABILITIES			
Related party loans		64,741	137,874
TOTAL NON-CURRENT LIABILITIES		64,741	137,874
TOTAL LIABILITIES		119,772	297,220
NET ASSETS		297,017	188,757
EQUITY			
Issued capital	11	283,689	283,689
Retained earnings		13,328	(94,932)
TOTAL EQUITY		297,017	188,757

The accompanying notes form part of these financial statements.

	ISSUED CAPITAL $	RETAINED EARNINGS $	TOTAL $
Balance at 1 July 2020	-	(123,645)	(123,645)
Share issue (net of transaction costs)	283,689	-	283,689
Total profit / (loss) for the period	-	28,713	28,713
BALANCE AT 30 June 2021	283,689	(94,932)	188,757
Balance at 1 July 2021	283,689	(94,932)	188,757
Total profit / (loss) for the period	-	108,260	108,260
BALANCE AT 30 June 2022	283,689	13,328	297,017

The accompanying notes form part of these financial statements.

	NOTE	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		529,318	453,509
Payments to suppliers and employees		(578,647)	(838,593)
Other income received		491	490,000
Interest (paid) / received		(26,599)	(8,026)
Income tax (paid) / refunded		(676)	6
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		(76,113)	96,896
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for shares in associates		(5,000)	-
Repayment of loans with related parties		(73,133)	(15,276)
Proceeds of loans with related parties		-	23,236
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(78,133)	7,961
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	283,689
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		-	283,689
Net increase / (decrease) in cash and cash equivalents		(154,246)	388,546
Cash and cash equivalents at beginning of financial year		388,936	390
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6	234,690	388,936

The accompanying notes form part of these financial statements.

Komo Energy Pty Ltd (the "Company") and its Controlled Subsidiaries (collectively the "Group") are incorporated and domiciled in Australia. The Company's registered office and principal place of business is detailed at Note 15.

The Group is a for-profit entity and is primarily involved in accelerating the growth of renewable energy in Australia by helping regional communities to develop mid-scale solar projects.

The consolidated financial statements were authorised for issue on 28 October 2022 by the directors of the Company.

1. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB *1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, these financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements]. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Group as a result of the change in the basis of preparation.

The financial statements are presented in Australian dollars, which is the Group's functional currency. The amounts presented in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries details are: provided in Note 1.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

The consolidated entities include:

	2022	2021
1. Komo Energy Pty Ltd (Parent)	100%	100%
2. Komo Service Pty Ltd	100%	100%
3. Komo Precinct Pty Ltd	100%	100%
4. Goulburn Community Solar Pty Ltd	100%	100%
5. Grong Grong Solar Farm Pty Ltd	23%	100%
6. Grong Grong Solar 2 Pty Ltd	100%	100%
7. Northern Rivers Community Solar 1 Pty Ltd *This entity been dissolved during 2022.*	-	100%
8. Gloucester Solar Project 1 Pty Ltd	100%	100%

When the Company loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and;

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 9: Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO) using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

(i) is not a business combination; and
(ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

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

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

On the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the group no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

A loss allowance for expected credit losses is not recognised for:

- financial assets measured at fair value through profit or loss; or

- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9 *Financial Instruments*:

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of AASB 15 *Revenue from Contracts with Customers*, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(d) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116 *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(e) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss and other comprehensive income of the associate is included in the Group's consolidated financial statements.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash at bank accounts.

(g) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(c) for further discussion on determination of impairment losses

(h) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Revenue Stream	Nature	Recognition Criteria
Government Grants	When the company receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.	Revenue is recognised at a point in time. If a grant does not meet the criteria of AASB 15, it is recognised under AASB 1058; recognises income immediately in profit or loss as the difference between the initial

		carrying amount of the asset and the related amount.
Project Development	Revenue is recognised by measuring the progress towards satisfaction of that performance obligation using the proportion of actual goods or services transferred to date as compared to the remaining goods or services promised under the contract (output method).	Revenue from contracts with customers is recognised over time on the basis that the Group transfers control and satisfies its performance obligation over the period of the contract.
Interest Income	Interest income is recognised using the effective interest method.	

Interest income is recognised using the effective interest method.

(i) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Critical Accounting Estimates and Judgments

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

Key judgements

(ii) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) New and Amended Accounting Policies Adopted by the Group

Initial application of AASB 1060

As at 1 July 2021, the Group has adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities*.

The above standard did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

		NOTE	2022 $	2021 $
2.	REVENUE AND OTHER INCOME			
A)	REVENUE DISAGGREGATION			
	The revenue is disaggregated along product and services lines:			
	Rendering of services - professional services		211,072	115,160
	Rendering of services - reimbursement of development expenses		170,099	339,251
	Rendering of services - project development		-	21,500
	Rendering of services - procurement consulting		-	12,000
	Rendering of services - related party		53,740	-
	TOTAL REVENUE		434,911	487,911
B)	TIMING OF REVENUE RECOGNITION			
	At a point in time		434,911	487,911
	Over time		-	-
C)	OTHER INCOME			
	Interest Income		153	123
	COVID-19 ATO Cashflow Boost		-	10,000
	Government Grants		-	480,000
	Training provided		491	-
	TOTAL OTHER INCOME		644	490,123
3.	PROFIT/(LOSS) BEFORE INCOME TAX			
	Remuneration of accountant:			
	- Preparing financial report		3,000	3,000
	- Taxation services		5,250	3,500
	TOTAL AUDITOR REMUNERATION		8,250	6,500
4.	OTHER ASSETS			
	NON-CURRENT			
	Shares in Grong Grong Solar		5,000	-
	Gain in investment in associates		92,401	-
	TOTAL INVESTMENTS IN ASSOCIATES		97,401	-

		NOTE	2022 $	2021 $
5.	INCOME TAX (EXPENSE) / BENEFIT			
A)	THE COMPONENTS OF TAX (EXPENSE) / BENEFIT COMPRISE:			
	Current tax (expense) / benefit:			
	- Current year		-	(124,802)
	TOTAL CURRENT TAX (EXPENSE) / BENEFIT		-	(124,802)
	Deferred tax (expense) / benefit:			
	- Origination and reversal of temporary differences		341	7,877
	- Benefit of previously unrecognised tax losses, tax credits or temporary differences		37,564	478
	TOTAL DEFERRED TAX (EXPENSE) / BENEFIT		37,905	8,354
	Tax expense (income) relating to changes in accounting policies and errors included in profit or loss		-	-
	TOTAL INCOME TAX (EXPENSE) / BENEFIT		37,905	8,354
B)	RECONCILIATION OF PRIMA FACIE INCOME TAX TO TAX EXPENSE			
	The prima facie tax on profit from ordinary activities before tax is reconciled to income tax as follows:			
	Accounting profit / (loss) before income tax		70,355	145,161
	Income tax (payable) / receivable on profit before tax at 25% (2021: 26%)		(17,589)	(37,742)
	Tax Effect of:			
	- Non-deductible expenses		-	(124,800)
	- Cash flow boost		-	2,600
	- Utilisation of carryfoward tax losses		-	35,533
	- Under/Over		(430)	7,962
	- Accounting equity gain attributable to parent		55,924	-
	INCOME TAX (EXPENSE) / BENEFIT ATTRIBUTABLE TO ENTITY		37,905	(116,448)
	The standard rate of corporation tax applied to taxable profit is 25% (2021: 26%).			

		Note	2022 $	2021 $
6.	CASH AND CASH EQUIVALENTS			
	CURRENT			
	Cash at bank		234,690	388,936
	TOTAL CASH AND CASH EQUIVALENTS		234,690	388,936
	RECONCILIATION OF CASH AND CASH EQUIVALENTS			
	Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:			
	Cash and cash equivalents		234,690	388,936
			234,690	388,936
7.	TRADE AND OTHER RECEIVABLES			
	CURRENT			
	Trade receivables due from third parties		37,763	88,011
	Sundry receivables		6	682
	TOTAL CURRENT TRADE AND OTHER RECEIVABLES		37,769	88,693
8.	RELATED PARY TRANSACTIONS			
B)	KEY MANAGEMENT PERSONNEL COMPENSATION			
	Total key management personnel compensation		111,589	34,667
C)	TRANSACTIONS WITH RELATED PARTIES			
	Entities over which the entity has control, joint control or significant influence:			
	- Sale of goods or services to related parties		193,505	75,000
	- Purchases from related parties		-	546
	- Trade receivables owing from related parties		-	82,500
	- Trade payables owing to related parties		-	273
	Key management personnel:			
	- Sale of goods or services to related parties		-	-
	- Purchases from related parties		22,979	1,849
	- Trade receivables owing from related parties		106	-

- Trade payables owing to related parties		-	362
Other related parties:			
- Sale of goods or services to related parties		-	-
- Purchases from related parties		65,707	76,873
- Trade receivables owing from related parties		-	-
- Trade payables owing to related parties		-	180

D) LOANS TO/FROM RELATED PARTIES

Key management personnel:			
- Loan owing from related parties		-	-
- Loan owing to related parties		32,370	68,889
Other related parties:			
- Loan owing from related parties		-	-
- Loan owing to related parties		32,392	68,984

All outstanding balances with related parties are interest-bearing at 10% and have no set repayment terms.

None of the balances are secured.

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

No guarantees have been given or received.

	NOTE	2022 $	2021 $
9. TAX			
ASSETS / (LIABILITIES)			
CURRENT			
Income Tax receivable / (payable)		-	(124,802)

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:

- Tax losses: $0 (2021: $0)
- Deductible temporary differences: $0 (2021: $0)

The benefits of the above unused tax losses will only be realised if the conditions for deductibility set out in note 1b) occur. These amounts have no expiry date.

Deferred tax assets have not been recognised in relation to unused tax losses as they relate to other taxation jurisdictions.

			BALANCE AT 30 June		
MOVEMENT IN DEFERRED TAX BALANCES	OPENING BALANCE	CHARGED OR CREDITED TO P&L	NET	DTA	DTL
2022					
Accruals	-	2,063	2,063	2,063	-
Borrowing Costs	7,871	(1,722)	6,149	6,149	-
Tax Losses	478	38,240	38,718	38,718	-
TAX ASSETS / (LIABILITIES) BEFORE SET-OFF	8,348	38,581	46,929	46,929	-
SET-OFF OF TAX	-	-	-	-	-
NET TAX ASSETS / (LIABILITIES)	8,348	38,581	46,929	46,929	-
2021					
Borrowing Costs	-	7,871	7,871	7,871	-
Tax Losses	-	478	478	478	-
TAX ASSETS (LIABILITIES) BEFORE SET-OFF	-	8,348	8,348	8,348	-
SET-OFF OF TAX	-	-	-	-	-
NET TAX ASSETS (LIABILITIES)	-	8,348	8,348	8,348	-

		NOTE	2022 $	2021 $
10.	TRADE AND OTHER PAYABLES			
	CURRENT			
	Trade payables due to third parties		24,311	12,999
	Trade payables due to related parties		256	814
	Accrued expenses		8,250	6,500
	GST payable		4,882	4,423
	PAYG Withholdings Payable		17,332	9,808
	TOTAL CURRENT PAYABLES		55,031	34,544
11.	ISSUED CAPITAL			
	15,405,835 (2021: 15,405,835) fully paid ordinary shares		283,689	323,042
	Capital raising costs		-	(39,353)
			283,689	283,689

The Group has authorised share capital amounting to 283,689 (2021: 283,689) ordinary shares of no par value.

		NUMBER OF SHARES
A)	ORDINARY SHARES	NUMBER OF SHARES
	Balance at 1 July 2021	**15,405,835**
	Balance at 30 June 2022	**15,405,835**

Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

		NOTE	2022 $	2021 $
12.	IMPUTATION CREDITS			
	Imputation credits balance		-	124,802
	TOTAL IMPUTATION CREDITS		-	124,802
13.	FINANCIAL RISK MANAGEMENT			
	The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.			
	The totals for each category of financial instruments, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:			
	FINANCIAL ASSETS			
	CATEGORIES OF FINANCIAL ASSETS			
	Financial assets measured at fair value through profit or loss (FVTPL)		97,401	-
	Financial assets measured at amortised cost		272,453	476,674
	TOTAL FINANCIAL ASSETS		369,854	476,674
	FINANCIAL LIABILITIES			
	CATEGORIES OF FINANCIAL LIABILITIES			
	Financial liabilities measured at amortised cost		32,817	20,313
	TOTAL FINANCIAL LIABILITIES		32,817	20,313

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The directors are not aware of any contingent liabilities or contingent assets as at 30 June 2022.

15. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

16. COMPANY DETAILS

The registered office of the Company is:
17 Thurlow Street
Newmarket QLD 4051

The principal place of business is:
17 Thurlow Street
Newmarket QLD 4051

The Directors of the Company declare that:

1. In the Directors' opinion, the Company is not publicly accountable and the financial statements and notes, as set out on pages 3 to 22, are in accordance with the *Corporations Act 2001, including*:

i. comply with Australian Accounting Standards – Simplified Disclosure Requirements and the *Coporations Regulations 2001*; and

ii. give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director	Gerald Arends	Dated this	28	Day of	October	2022
Director	Jonathan Edward Prendergast	Dated this	28	Day of	October	2022


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