



INTEGRATED GREEN ENERGY SOLUTIONS LTD

And Controlled Entities

ABN 23 003 669 163

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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CORPORATE DIRECTORY

DIRECTORS

Paul Dickson (Executive Chairman)
Stuart Clark (Managing Director)
Bevan Dooley (Executive Director)
Kilroy Genia (Non-Executive Director)
David McIntosh (Non-Executive Director)

SECRETARY

Joshua Herbertson

REGISTERED OFFICE

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Chatswood, NSW, 2067
Ph: (02) 8920 2300

SHARE REGISTER

Boardroom Pty Limited
Level 12, 225 George St
Sydney, NSW, 2000
Ph: 1300 737 760

AUDITOR

Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW, 2000
Ph: (02) 9263 2600

SOLICITOR

Thomson Geer
Level 25, 1 O'Connell Street
Sydney, NSW, 2000

BANKERS

Westpac Bank Limited
275 George Street
Sydney, NSW, 2000

STOCK EXCHANGE LISTING

Integrated Green Energy Solutions Ltd shares are listed on the Australian Securities Exchange.
ASX Code: IGE

WEBSITE ADDRESS

www.igesolutions.org

DIRECTORS' REPORT

The Directors present their report together with the financial report of the consolidated entity consisting of Integrated Green Energy Solutions Ltd and the entities it controlled, for the financial year ended 30 June 2018 and Auditor's Report thereon.

Directors

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

Name of Director	Appointed	Resigned
Paul Dickson	24/10/2014	Current
Bevan Dooley	24/10/2014	Current
David McIntosh	15/12/2014	Current
Kilroy Genia	21/01/2015	Current
Stuart Clark	25/08/2016	Current
Clifford M. James	22/12/2014	27/09/2017

Information on Directors

<p>Name:</p> <p>Title:</p> <p>Qualifications:</p> <p>Experience and Expertise:</p>	<p>Paul Dickson</p> <p>Executive Chairman</p> <p>B.Com, MLogMan</p> <p>Mr Dickson has a proven track record of success spanning in excess of 25 years through a blend of taking innovative and creative concepts and moulding them into sustainable and highly valued assets. He has held multifunctional senior roles across the complete spectrum of disciplines including finance, logistics, operations, sales, marketing, business development, product development through to launch, systems and general management. Mr Dickson has a proven track record both in Australia and overseas having lived in Asia for more than six years while delivering results in a sophisticated multicultural business community. Mr Dickson is a visionary who has successfully taken an embryonic vision and nurtured it from a start-up business into a thriving and profitable going concern in a market dominated by strong global competitors. His leadership has displayed the ability to take complex challenges and break these into driven objectives while having a keen awareness of the need for risk mitigation for key stakeholders. Delivering financial results while honouring the community needs has been learned from experience across a broad field of global operating environments. Mr Dickson formal qualifications include a Bachelor of Commerce in Accounting and Finance from the University of NSW and holds a Master of Transport Management from Sydney University.</p>
<p>Current Directorships</p> <p>Special Responsibilities</p> <p>Interest in Shares & Options</p>	<p>None</p> <p>Member of the Audit and Risk Committee and member of the Remuneration and Nomination Committee</p> <p>Indirect 113,863,835 Ordinary Shares and 82,421,139 Unlisted Options</p>
<p>Name:</p> <p>Title:</p> <p>Qualifications:</p> <p>Experience and Expertise:</p>	<p>Bevan Dooley</p> <p>Executive Director</p> <p>BE (Hons) Mech.</p> <p>Mr Dooley brings to IGES 20 years of experience in the energy, fuel and chemical processing industries. Mr Dooley has a solid engineering and management background that leads to a deep understanding of processing techniques for energy conversion, as well as the energy and fuels market in Australia and Asia. In 2001 Mr Dooley co-founded Australian Biodiesel Group Ltd, an entity that listed on ASX in 2005. Mr Dooley held various roles with Australian Biodiesel Group Ltd, including technical director, Chief Executive Officer and Director. Since 2009 Mr Dooley has held board positions on proprietary companies commercialising fuel and energy technologies. Mr Dooley has been integral in the design, construction, commissioning and ongoing management of many energy, fuel and chemical processing facilities in Australia and around the world. Mr Dooley and his team have developed the core technologies within the IGE group, the entity with which IGES has signed its term sheet.</p>
<p>Current Directorships</p> <p>Special Responsibilities</p> <p>Interest in Shares & Options</p>	<p>Solid Energy Technologies Pty Ltd</p> <p>None</p> <p>Indirect 14,183,367 Ordinary Shares and 10,416,032 Unlisted Options</p>

DIRECTORS REPORT (CONTINUED)

Information on Directors (continued)

<p>Name: Title: Qualifications: Experience and Expertise:</p>	<p>David McIntosh Non-Executive Director M.Com (Accounting), BE (Chemical), GradDipCA Mr McIntosh provides accounting services including audit, business structure, planning and taxation advice to a range of small businesses and entrepreneurs. He has interests in multiple accounting practises and has bought and sold packages of accounting fees. He is focused on the boutique market, and is a Chartered Accountant and the holder of a Certificate of Public Practice. His qualifications include being a Registered Auditor (Superfunds), Tax Agent, and an ASIC Agent. Prior to moving into finance David gained exposure in the area of chemical engineering through his work with Shell Oil Company and Environment Australia.</p>
<p>Current Directorships Special Responsibilities Interest in Shares & Options</p>	<p>None Chairman of the Audit and Risk Committee and Chairman of the Remuneration and Nomination Committee Indirect 3,087,356 Ordinary Shares, 1,644,311 Unlisted Options</p>
<p>Name: Title: Qualifications: Experience and Expertise:</p>	<p>Kilroy Genia Non-Executive Director Dip. Land Management and Administration, Grad Dip. Social Ecology Mr Genia has broad experience in both private and government enterprises having spent nine year holding various Ministerial positions within the PNG cabinet, including Minister of Justice, Defense, Foreign Affairs and Trade.</p>
<p>Current Directorships Special Responsibilities Interest in Shares & Options</p>	<p>None Member of the Audit and Risk Committee and member of the Remuneration and Nomination Committee 100,000 Ordinary Shares, 100,000 Unlisted Options</p>

DIRECTORS REPORT (CONTINUED)

Information on Directors (continued)

Name:	Stuart Clark
Title:	Managing Director
Qualifications:	B.Com (Accounting), GradDipCA, GAICD.
Experience and Expertise:	In a career spanning more than 30 years, Mr Clark has gained extensive commercial, finance and management experience. As well as significant capabilities in human resources, project management and change management, he has strong operational and strategic skills. He also has extensive experience selling professional services to SMEs. Currently, he holds a Bachelor of Commerce from the University of New South Wales, is a member of the Institute of Chartered Accountants and holds Graduate status with the Australian Institute of Company Directors. He has held senior roles with publicly listed companies such as Global Television and Hoyts as well as major international conglomerates including Carlson Companies and the Walt Disney Company. Mr Clark also held senior finance roles with the start-up enterprises Nudie Foods and McElroy All Media during their inception phases. He played a key role in establishing these businesses, both of which went on to trade successfully.
Current Directorships	None
Special Responsibilities	Managing Director
Interest in Shares & Options	Indirect 1,202,617 Ordinary Shares

Company Secretary

Mr Herbertson has 10 years' experience in financial management, chiefly in the professional service industry. Working in a range of finance and operations roles for both publicly listed and private companies, he has been involved in ASX listings, mergers and acquisitions, corporate restructuring and financial due diligence, in addition to responsibilities as Chief Financial Officer.

Principal Activities

The principal activities of the consolidated entity during the financial year consisted of the construction of the Amsterdam Waste Plastics to Fuel (WPTF) facility and the continuing rollout of the WPTF technology acquired from ACN 162 406 706 LTD (formerly known as Integrated Green Energy Limited) via the completion of the Business Sale Agreement and subsequent relisting on the ASX on 30 January 2018

Review of Operations and financial results

Amsterdam

In January 2018, IGES purchased Integrated Green Energy Amsterdam B.V. (formerly Bin 2 Barrel Amsterdam B.V.), which provided IGES with a site in Amsterdam that has a fully approved and sanctioned Environmental Approval Permit to operate a waste plastic to road ready fuel facility. Site preparation works were completed on the site in March 2018, with piling work being undertaken that will allow IGES to construct and operate a 400 tonne per day (TPD) waste plastic to fuel (WPTF) facility.

The initial site will be built with the capacity of 100 TPD which will produce 35 million litres of road ready fuel that will be sold at a price that will produce an EBITDA margin of \$0.30 per litre. Phase two of plant capacity is scheduled to increase to 200 TPD producing 70 million litres per annum at a margin of \$0.30 per litre. The final phase of growth is planned to increase on site total capacity to 400TPD producing 140 million litres at a margin of \$0.30 per litre. This final phase is forecast to occur within 2 years of initial operations.

To date significant progress has been made. Suppliers of long lead items including feedstock processing equipment have been contracted and orders underway. Construction of the IGES modules which house the patented technology allowing the conversion of plastics into road ready fuels is being finalised and shipping is planned to have them delivered in mid-December for installation and commissioning.

In addition, IGES has a feedstock supply agreement with PARO Amsterdam BV ("PARO") for 24,000 tonnes of plastics per annum, whereby PARO are contracted to pay IGE Amsterdam a revenue payment of up to €20 per tonne. With the proposed expansion of the IGES Amsterdam facility to a capacity of 400 tonnes per day producing 140 million litres of road ready fuel per annum it is now forecast that the Company will receive over \$4 million in additional revenue.

Operations are expected to commence in the first quarter of the 2019 calendar year.

The Company has obtained debt funding of US\$90 million for their Amsterdam facility as well as its proposed facilities at Grimsby in the UK, China and Hong Kong. The draw-down of amounts and their timing under the US\$90 million facility is subject to utilisation on specific projects including Amsterdam and is due to commence in staged instalments beginning in October 2018.

Hong Kong

In July 2018 the Company formalised a Joint Venture Agreement (JVA) with Hong Kong based recycling company Hong Kong Telford Envirotech Group Limited (Telford). The purpose of the JVA is to facilitate the design, construction and operation of a 200 tonne per day waste plastics to fuel facility in Hong Kong, with an estimated production capacity of 70 million litres per annum at a margin of \$0.30 per litre produced.

IGES will hold a 70% stake in the joint venture. In addition, it will hold three seats on the five-member board and control the appointment of key management personnel.

Approval to lease a site in EcoPark has been secured from the Environmental Protection Department (EPD) of Hong Kong. EcoPark is a Hong Kong Government owned project developed exclusively for waste recycling and environmental engineering projects.

Key to the JVA is that Telford offer IGES access to suitable feedstock for its process, knowledge of the local industry, a working history with the EPD and real estate experience. Under the terms of the JVA, IGES has the option to acquire 30% equity in Telford. This move would see IGES moving up the supply chain into the area of waste aggregation, a move that would further assist IGES in capturing its necessary feedstock requirements.

Design and planning for the project is now well underway.

DIRECTORS REPORT (CONTINUED)

Review of Operations and financial results (continued)

China

IGES executed a JVA with Crown World Holdings Limited (CWH), a wholly owned subsidiary of Beautiful China Holdings Company Limited (BCH), in April 2018. BCH is a Hong Kong based company listed on the Stock Exchange of Hong Kong Limited (stock code: 706) focused on eco-environmental protection business investment, construction and operations. IGES will hold 51% of the JV, which has been established to construct a 200 TPD WPTF facility to be located in Weifang, Shandong Province, approximately 500km south east of Beijing. Due to the size and location of the site, it is anticipated that the site will be expanded to 600 TPD capacity as supply and offtake activities are increased. This site is planned to initially have a total annual output of over 70 million litres in road ready fuels at a margin of \$0.30 per litre produced.

Site visits have been undertaken and design and planning is well underway for the project. As with the Hong Kong JVA with Telford, IGES will control three seats on the five-member board and will be responsible for the appointment of key management personnel.

Grimsby

After completing extensive due diligence, IGES entered into a contract to acquire a 6.87 hectare site at Humber Gate, Great Coates, Grimsby, in the United Kingdom. This site is planned to initially have a total annual output of over 70 million litres in road ready fuels at a margin of \$0.30 per litre produced.

The project is already well progressed, with extensive site investigations having already taken place, along with meetings with local regulators, the planning department, and the UK Environmental Agency.

GEP

GEP Fuel and Energy Indiana, LLC (GEP), IGES's US business partners, will soon commence the drawdown of debt funds secured for the construction of their plastics recycling centre to be constructed in Camden, Indiana, United States.

This recycling centre will process automobile shredder residue (ASR). ASR consists of glass, fibre, rubber, automobile liquids, plastics and dirt. The plastics component of the ASR is a very good match with the specifications of the plastics required in the IGES WPTF feedstock. The plastic to be produced from the GEP recycling facility will be used to supply the plastic feedstock requirements of the Integrated Green Partners (IGP) WPTF facility. IGP is a joint venture between IGES and GEP in which each partner has a 50% ownership stake, with IGES having management control.

The IGP WPTF facility will be constructed adjacent to the GEP recycling centre in Camden Indiana.

The initial IGP WPTF facility will be constructed to process 1,500 tonne per day of waste plastics. This plant is projected to produce over 500 million litres of road ready diesel and petrol at a forecast EBITDA of \$0.30 per litre produced. Construction is anticipated to commence second quarter next year and it is then anticipated to take 14 months to fuel production.

Design and planning of the site is already well progressed and once operational GEP will meet all feedstock requirements for the plant. This is the first of 10 such facilities planned between IGES and GEP under the terms of the joint venture utilising ASR as the feedstock.

Business Development

The Company continues to identify other territories and sites that meet our standard criteria for facility construction and operation. Territories currently being reviewed and progressing through our due diligence process include: Indonesia; Germany, Thailand, Spain and Belgium.

Funding

The company was successful in raising \$11.547 million in capital in the third and fourth quarters of 2018. These funds were raised to undertake business development activities and have also been utilised as part of the preliminary Amsterdam construction work. This has allowed the Company to defer the drawdown of the US\$90 million loan facility organised through Structured Growth Capital, LLC (SGC) and therefore defer incurring interest and other loan costs associated with the facility. Loan funds are now scheduled to be drawn down in September 2018 and at such time those funds will be utilised to replenish the business development funds used in the construction of Amsterdam as well as for construction works. This approach has been taken in full consultation with our funders and is in compliance with the terms of our loan agreements. The Company will continue to minimise and defer loan drawdowns as much as possible and avoid having high levels of non-performing cash reserves on the balance sheet.

Singapore headquarters

The Company has established its global headquarters in Singapore in late 2017. While the IGES ASX registered corporate office remains in Australia the Singaporean office has been established to gain better proximity to the markets that currently represent the major focus for IGES. Integrated Green Energy Singapore Pte Ltd (IGE Singapore) has appointed BDO as the Singapore company's auditors and Dentons Rodyk as legal advisors for IGE Singapore. The IGE Singapore office is located in Raeburn Park, Singapore. The Company is continuing the process of recruiting staff for our Singaporean headquarters and key global roles.

DIRECTORS REPORT (CONTINUED)

After Balance Date Events

On 2 July 2018, IGES announced it had executed a Joint Venture Agreement ("JVA") with Hong Kong based recycling company Hong Kong Telford Envirotech Group Limited ("Telford"). The purpose of the JVA is to facilitate the design, construction and operation of a 200 tonne per day waste plastics to fuel facility in Hong Kong.

IGES will hold a 70% equity stake in the Joint Venture Company ("JVC") trading as IGE Hong Kong. With this IGES will control 3 seats of the 5-seat board, including the Chairman. IGES will control the appointment of all key management personnel.

As part of the transaction, IGES is to pay a fee of US\$3 million to Telford in 3 tranches:

- US\$500,000 upon execution of the agreement;
- US\$500,000 upon execution of the long-term site Telford has secured; and
- upon acceptance from the EPD and related government bodies for the facility, a final US\$2,000,000.

On 31 July 2018, IGES issued 6,417,265 ordinary shares in return for cash consideration of \$1,604,316.

Likely Developments and Expected Results of Operations

Other than the matters outlined in Note 25: After Balance Date Events, information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this financial report because the Directors believe it would likely result in unreasonable prejudice to the consolidated entity.

Environmental Regulation

The Company operates within the energy and fuels sector and conducts its business activities with respect for the environment while continuing to meet the expectations of all stakeholders including shareholders, local communities, employees, customers and suppliers.

The Company aims to ensure that the highest standard of environmental care is achieved and that it complies with all environmental legislation. The Board is not aware of any significant breaches during the financial year.

Dividends Paid, Recommended or Declared

No dividends were paid, declared or recommended during the financial year and up to the date of this report.

Insurance of Officers

During the financial year, the Company had in place and paid premiums in respect to insurance policies indemnifying Directors and officers of the Company against certain liabilities incurred in the conduct of the business or in the discharge of their duties as Directors or officers.

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 contracts, as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or insurance premiums paid in respect to the auditors of the consolidated entity.

Proceedings on behalf of the Company

No person has applied for leave at Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 43 of this report.

Non-Audit Services

Non-audit services provided by the auditors of the consolidated entity during the year, Hall Chadwick, are detailed below. The Directors are satisfied that the provision of non-audit services, during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by an auditor to any entity that is part of the consolidated entity for:

Amounts received or due and receivable by Hall Chadwick for non-audit services;

- Corporate advisory services

Consolidated	
2018 \$	2017 \$
16,500	27,500
16,500	27,500

DIRECTORS REPORT (CONTINUED)

Directors Meetings

The number of meetings of the Board of Directors held during the financial year and meetings attended by each Director were:

Directors	Directors' Meetings		Remuneration and Nomination Committee		Audit and Risk Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Paul Dickson	6	6	1	1	1	1
Stuart Clark	6	6	-	-	-	-
Bevan Dooley	6	6	-	-	-	-
David	6	6	1	1	1	1
Clifford M. James	2	1	-	-	-	-
Kilroy Genia	6	1	1	1	1	1

Remuneration and Nomination Committee

A Remuneration and Nomination Committee was established by the Board during the Financial Year ended 30 June 2016. The Board seeks independent advice as required on current trends and appropriate remuneration structures based on the role to be filled and the Company's operations. The Company did not engage an independent remuneration consultant during the year.

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Total shareholder return

(A) Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The consolidated entity has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution

The Directors determine the allocation of bonuses for senior executives on a discretionary basis. No bonuses were paid during the financial year.

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

(A) Principles used to determine the nature and amount of remuneration (continued)

Non-executive Directors Fees

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of the Directors. Non-executive Directors' fees and payments are reviewed annually by the board and payments are appropriate and in line with the market. The Chairman's fees are determined separately to the fees of Non-executive Directors based on comparable roles in the external market.

Executive Remuneration

The executive remuneration and reward framework has four components:

- base pay and benefits
- short-term performance incentives
- share or option issues
- other remuneration such as superannuation and fringe benefits

The combination of these comprise the executive's total remuneration.

(B) Details of Remuneration

	Short Term Benefits		Post Employment Benefits	Share-Based Payments	Total	% of total that consists of shares
	Salary	Fees & Other	Superannuation	Shares		
30 June 2018	\$	\$	\$	\$	\$	
Non-Executive Directors						
Paul Dickson	-	420,000	-	-	420,000	0.00%
Bevan Dooley	-	150,000	-	-	150,000	0.00%
David McIntosh	-	-	-	-	-	0.00%
Clifford James	-	-	-	-	-	0.00%
Kilroy Genia	-	-	-	-	-	0.00%
Key Management Personnel						
Stuart Clark	-	216,000	-	210,000	426,000	49.30%
Total	-	786,000	-	210,000	996,000	
	Short Term Benefits		Post Employment Benefits	Share-Based Payments	Total	% of total that consists of shares
	Salary	Fees & Other	Superannuation	Shares		
30 June 2017	\$	\$	\$	\$	\$	
Non-Executive Directors						
Paul Dickson	-	280,000	-	-	280,000	0.00%
Bevan Dooley	-	-	-	-	-	0.00%
David McIntosh (a)	-	11,000	-	-	11,000	0.00%
Clifford James	-	-	-	-	-	0.00%
Kilroy Genia	-	-	-	-	-	0.00%
Key Management Personnel						
Stuart Clark (b)	-	110,000	-	-	110,000	0.00%
Total	-	401,000	-	-	401,000	

(a) David McIntosh resigned as Interim Managing Director on 25 August 2016.

(b) Stuart Clark was appointed as Managing Director on 25 August 2016.

Share Options

Details of options over unissued shares granted during the year and unissued shares under option at balance date are outlined below. When exercisable, each option is convertible into one ordinary share of the Company.

Options granted during the year

No options were granted as part of remuneration to Directors or Key Management Personnel for the year ended 30 June 2018 or 30 June 2017

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

Shares under option issued to Directors and Key Management Personnel

Unissued ordinary shares of Integrated Green Energy Solutions Ltd under option issued to Directors and Key Management Personnel or their related parties at the date of this report are as follows:

Name	Date Options Granted	Number of Options on Issue	Exercise Price per Option	Expiry Date of Option	Vesting Status
Bevan Dooley	29/01/2018	9,036,721	\$ 0.40	31/12/2020	Vested in full
Paul Dickson	29/01/2018	73,204,332	\$ 0.40	31/12/2020	Vested in full
Paul Dickson	29/01/2018	2,437,496	\$ 0.20	31/12/2019	Vested in full
David McIntosh	7/09/2017	265,000	\$ 0.20	31/12/2019	Vested in full
Kilroy Genia	7/09/2017	100,000	\$ 0.20	31/12/2019	Vested in full
Paul Dickson	30/07/2015	5,400,000	\$ 0.20	31/12/2019	Vested in full
David McIntosh	30/07/2015	1,379,311	\$ 0.20	31/12/2019	Vested in full
Paul Dickson	30/06/2015	1,379,311	\$ 0.20	31/12/2019	Vested in full
Bevan Dooley	30/06/2015	1,379,311	\$ 0.20	31/12/2019	Vested in full
Total		94,581,482			

C. Service agreements

Stuart Clark

The Managing Director Stuart Clark has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements. The following summarises the key provisions of Mr. Clark's contract: The agreement is for a term of 60 months commencing on 25 August 2016. In consideration for the services, IGES pays Klick Consulting Services Pty Ltd (Klick) \$300,000 per year.

The agreement also provides that should Klick be terminated for convenience, IGES will, subject to shareholder approval if required, pay out the remaining period of the contract as of the date of termination until the date of contract expiry. Where this remaining period is less than 12 months IGES agrees to pay an amount equal to what IGES paid in the preceding 12 months prior to the date of termination. Klick must provide 3 months' notice if it terminates the agreement for convenience.

Paul Dickson

The Executive Chairman Paul Dickson has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements. The following summarises the key provisions of Mr. Dickson's contract:

The agreement is for a term of 60 months commencing on 31 October 2016. In consideration for the services, IGES will pay \$420,000 per annum.

The agreement also provides that should IGES terminate the agreement for convenience, IGES will, subject to shareholder approval if required, pay out the remaining period of the contract to Fandola as of the date of termination until the date of contract expiry. Where this remaining period is less than 12 months IGES agrees to pay Fandola an amount equal to what IGES paid Fandola in the preceding 12 months prior to the date of termination. Fandola must provide 3 months' notice if it terminates the agreement for convenience.

Bevan Dooley

The Technical Director Bevan Dooley has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements. The following summarises the key provisions of Mr. Dooley's contract: The agreement is for IGES to pay Solid Energy Technologies a yearly sum of \$300,000 in the first year, \$325,000 in the second year, \$350,000 in the third year and \$400,000 in the fourth year and each year thereafter.

The agreement is for a term of 3 years with an option to extend for a further 2 years by mutual consent. Notwithstanding this, IGES may terminate the agreement for convenience after the first 12 months of the term by providing six months' notice to Solid Energy Technologies. Solid Energy Technologies may only terminate the agreement in the event that it is breached by IGES and not for convenience.

D. Share-based compensation

Shareholding

The number of shares in the parent entity held during the financial year by each director and key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares

		Balance 1 July 2017	Received as remuneration	Additional	Disposals	Other changes	Balance 30 June 2018
Paul Dickson	(a)	6,779,311	-	107,084,524	-	-	113,863,835
Bevan Dooley	(a)	1,379,311	-	12,804,056	-	-	14,183,367
David McIntosh	(b)	1,668,288	-	1,419,068	-	-	3,087,356
Clifford M. James	(c)	689,656	-	-	-	-	689,656
Kilroy Genia	(d)	-	-	100,000	-	-	100,000
Stuart Clark	(e)	-	1,050,000	152,617	-	-	1,202,617

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

		Balance 1 July 2016	Received as remuneration	Additional	Disposals	Other changes	Balance 30 June 2017
Paul Dickson	(a)	6,779,311	-	-	-	-	6,779,311
Bevan Dooley	(a)	1,379,311	-	-	-	-	1,379,311
David McIntosh	(b)	1,668,288	-	-	-	-	1,668,288
Clifford M. James	(c)	689,656	-	-	-	-	689,656
Kilroy Genia	(d)	-	-	-	-	-	-
Stuart Clark	(e)	-	-	-	-	-	-

(a) Paul Dickson and Bevan Dooley were appointed as Directors to the Board on 24 October 2014.

(b) David McIntosh was appointed as a Director to the Board on 15 December 2014. He was made Interim Managing Director on 4 September 2015, stepping aside on 25 August 2016.

(c) Clifford James was appointed as a Director to the Board on 22 December 2014 and resigned on 27 September 2017.

(d) Kilroy Genia was appointed as a Director to the Board on 21 January 2015.

(e) Stuart Clark was appointed as Managing Director on 25 August 2016.

Option holding

The number of options in the parent entity held during the financial year by each Director and key management personnel of the consolidated entity, including their personally related parties, is set out below:

Options - unlisted

		Balance 1 July 2017	Issued	Exercised	Lapsed	Other changes	Balance 30 June 2018
Paul Dickson	(a)	6,779,311	75,641,828	-	-	-	82,421,139
Bevan Dooley	(a)	1,379,311	9,036,721	-	-	-	10,416,032
David McIntosh	(b)	1,379,311	265,000	-	-	-	1,644,311
Clifford M. James	(c)	689,656	-	-	-	-	689,656
Kilroy Genia	(d)	-	100,000	-	-	-	100,000
Stuart Clark	(e)	-	-	-	-	-	-

		Balance 1 July 2016	Issued	Exercised	Lapsed	Other changes	Balance 30 June 2017
Paul Dickson	(a)	6,779,311	-	-	-	-	6,779,311
Bevan Dooley	(a)	1,379,311	-	-	-	-	1,379,311
David McIntosh	(b)	1,379,311	-	-	-	-	1,379,311
Clifford M. James	(c)	689,656	-	-	-	-	689,656
Kilroy Genia	(d)	-	-	-	-	-	-
Stuart Clark	(e)	-	-	-	-	-	-

All options had vested in full at reporting date.

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

Share-based compensation in the form of options over ordinary shares are provided to Directors and Key Management Personnel as performance incentives in the achievement of significant increases in share price and contributions to the company outside of normal Director duties.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

No share-based compensation in the form of options over ordinary shares were issued during the year ended 30 June 2018 and up to the date of this report.

Shares under option

Unissued ordinary shares of Integrated Green Energy Solutions Ltd under option at the date of this report are as follows:

Date Options Granted	Number of Options on Issue	Exercise Price per Option	Expiry Date of Option
22/04/2015	3,384,451	\$ 0.20	31/12/2019
30/06/2015	7,992,711	\$ 0.20	31/12/2019
30/07/2015	14,215,953	\$ 0.20	31/12/2019
22/09/2015	2,343,331	\$ 0.20	31/12/2019
31/10/2016	4,396,667	\$ 0.20	31/12/2019
29/01/2018	4,162,500	\$ 0.20	31/12/2019
29/01/2018	148,000,004	\$ 0.40	31/12/2020
Total	184,495,617		

E. Total Shareholders Return

The earnings of the consolidated entity for the five years to 30 June 2018 are summarised below:

	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Revenue from sales or services	-	-	-	-	-
EBITDA	(55,372)	(17,050)	(1,324)	(2,045)	(6,042)
EBIT	(55,656)	(17,051)	(1,332)	(2,055)	(6,053)
Loss after income tax	(57,735)	(17,437)	(1,341)	(2,160)	(6,108)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017	2016	2015	2014
	Post-consolidation basis				
Share price at end of financial year	\$ 0.480	\$ 0.125	\$ 0.125	\$ 0.025	\$ 0.075
Total dividends declared	\$ -	\$ -	\$ -	\$ -	\$ -
Basic earnings per share	\$ (0.30)	\$ (0.26)	\$ (0.02)	\$ (0.05)	\$ (0.19)

This concludes the remuneration report which has been audited.

Auditor

Hall Chadwick continues in the office in accordance with section 327 of the Corporations Act 2001.

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



Paul Dickson
Non-Executive Chairman
28th day of September 2018 at Sydney.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Integrated Green Energy Solutions Ltd and its Controlled Entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations - 3rd edition ('the ASX Principles') are applicable for financial years commencing on or after 1 July 2014, consequently for the Group's 30 June 2018 year end. As a result, the Group has chosen to publish its Corporate Governance Statement on its website rather than in this Annual Report.

The Corporate Governance Statement and governance policies and practices can be found in the corporate governance section of the Company's website at <http://www.igesolutions.org>

The Group's Corporate Governance Statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, were in place for the full reporting period.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 30 JUNE 2018**

		Consolidated	
	Note	30/06/2018	30/06/2017
		\$	\$
Revenue from continuing operations			
Other revenue			
Finance income		4,575	85
Other income	3	14,881	-
Expenses			
Administrative expenses		(1,343,615)	(283,671)
Consultants expenses		(1,744,079)	(711,177)
Other expenses		(499,857)	(190,593)
Depreciation and amortisation		(283,736)	(1,401)
Due diligence and transaction costs		(100,335)	(189,081)
Employment expenses		(998,655)	(400,677)
Finance costs		(2,078,888)	(386,388)
Insurance expenses		(38,286)	(59,895)
Impairment expense		(49,394,927)	(15,065,341)
Occupancy expenses		(310,034)	(147,428)
Share based payments		(962,099)	-
Loss before income tax expense		(57,735,055)	(17,435,567)
Income tax benefit	4	-	-
Net loss for the period		(57,735,055)	(17,435,567)
Other comprehensive income			
Items that may be subsequently be classified to profit or loss			
Exchange differences arising in translation of foreign operations		(216,083)	(302,803)
Total comprehensive income for the period, net of tax		(57,951,138)	(17,738,370)
Loss for the year attributable to			
Owners of the parent entity		(57,713,905)	(17,738,370)
Non-controlling interest		(21,150)	-
		(57,735,055)	(17,738,370)
Total comprehensive income attributable to			
Owners of the parent entity		(57,946,019)	(17,738,370)
Non-controlling interest		(5,119)	-
		(57,951,138)	(17,738,370)

		Cents / Share	
		31/12/2018	30/06/2017
		\$	\$
Basic and diluted loss per share	19	(0.30)	(0.26)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Consolidated	
		30/06/2018 \$	30/06/2017 \$
Current assets			
Cash and cash equivalents	5	1,346,711	47,697
Trade and other receivables	6	729,301	17,498
Other current assets	7	54,230	209,587
Funds held in escrow		2,921,286	-
Total current assets		5,051,528	274,782
Non-current assets			
Plant and equipment	8	6,712,004	526
Intangible Assets	9	68,689	31,689
Total non-current assets		6,780,693	32,215
Total assets		11,832,221	306,997
Current liabilities			
Trade and other payables	10	8,435,738	2,087,963
Loans and other borrowings	11	3,197,437	1,763,596
Total current liabilities		11,633,175	3,851,559
Total liabilities		11,633,175	3,851,559
Net assets		199,046	(3,544,562)
Equity			
Issued capital	12	170,239,954	110,296,989
Share reserve		3,927,894	2,101,201
Foreign currency reserve		(220,913)	(9,949)
Non-controlling interest		(101,181)	-
Accumulated losses		(173,646,708)	(115,932,803)
Total equity		199,046	(3,544,562)

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 30 JUNE 2018**

	Consolidated					
	Issued capital	Foreign currency reserve	Share reserve	Accumulated losses	Non-Controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$
Balance 1 July 2016	109,809,428	292,854	2,101,201	(98,497,236)	-	13,706,247
Net loss for the year	-	-	-	(17,435,567)	-	(17,435,567)
Other comprehensive income	-	(302,803)	-	-	-	(302,803)
Total comprehensive expense for the period	-	(302,803)	-	(115,932,803)	-	(4,032,123)
Transactions with owners in their capacity as owners:						
Shares issued net of transaction costs	487,561	-	-	-	-	487,561
Total transactions with owners recorded directly in equity	487,561	-	-	-	-	487,561
Balance 30 June 2017	110,296,989	(9,949)	2,101,201	(115,932,803)	-	(3,544,562)

	Consolidated					
	Issued capital	Foreign currency reserve	Share reserve	Accumulated losses	Non-Controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$
Balance 1 July 2017	110,296,989	(9,949)	2,101,201	(115,932,803)	-	(3,544,562)
Net loss for the year	-	-	-	(57,713,905)	(21,150)	(57,735,055)
Other comprehensive income	-	(210,964)	-	-	(5,119)	(216,083)
Total comprehensive expense for the period	-	(210,964)	-	(57,713,905)	(26,269)	(57,924,869)
Transactions with owners in their capacity as owners:						
Share based payments	-	-	1,826,693	-	-	1,826,693
Shares issued net of transaction costs	59,942,964	-	-	-	-	59,942,964
Acquisition of Bin 2 Barrel (note 20)	-	-	-	-	(74,912)	(74,912)
Total transactions with owners recorded directly in equity	59,942,964	-	1,826,693	-	(74,912)	61,694,746
Balance 30 June 2018	170,239,953	(220,913)	3,927,894	(173,646,708)	(101,181)	199,046

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 30 JUNE 2018**

		Consolidated	
		30/06/2018	30/06/2017
		\$	\$
Cash flows from operating activities			
Government grants received		2,371,542	-
Payment to suppliers and employees inclusive of goods and services tax		(7,149,930)	(1,340,285)
		(4,778,388)	(1,340,285)
Interest received		4,575	-
Finance costs paid		-	-
Net cash outflow from operating activities	18	(4,773,813)	(1,340,285)
Cash flows from investing activities			
Property, plant and equipment		(6,666,974)	(155,425)
Proceeds from disposal of property, plant and equipment		348,965	-
Proceeds for acquisition of IGE assets		(1,041,011)	-
Payment for acquisition of Bin 2 Barrel, net of cash acquired		(852,020)	-
Payments for patents		(37,000)	(15,573)
Net cash outflow from investing activities		(8,248,040)	(170,998)
Cash flows from financing activities			
Proceeds from the issue of shares net of transaction costs		12,834,306	487,562
Payment of funds held in escrow		(2,921,286)	-
Net proceeds from borrowings		4,407,847	1,028,776
Net cash inflow from financing activities		14,320,867	1,516,338
Net outflow in cash and cash equivalents		1,299,014	5,055
Cash and cash equivalents at the beginning of the period		47,697	42,642
Cash and cash equivalents at the end of the period		1,346,711	47,697

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Integrated Green Energy Solutions Ltd is a for profit-entity for the purpose of preparing the Financial Statements.

The consolidated financial statements of Integrated Green Energy Solutions Ltd comply with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial report covers Integrated Green Energy Solutions Ltd and controlled entities as a consolidated entity. Integrated Green Energy Solutions Ltd is a listed public company on the Australian Securities Exchange (trading under the symbol "IGE"), incorporated in Australia.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 and has assessed the effects of applying the new standard on the financial statements and has not identified any material changes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies (continued)

New, revised or amending standards and interpretations adopted (continued)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2017 and has assessed the effects of applying the new standard on the financial statements and has not identified any material changes.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019, and will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial

The Group will adopt this standard from 1 July 2019. Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statement, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies (continued)

Going concern basis of accounting

During the year ended 30 June 2018, the Group incurred an operating loss before tax of \$57,735,055 and a working capital deficiency of \$6,581,647 as at that date, as disclosed in the statement of profit or loss and statement of financial position. The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent upon the Group being successful with respect to the following factors:

a) The Group intends to draw down on a loan facility of US\$90 million capital and funds to construct facilities in Amsterdam, Grimsby, China and Hong Kong and to exploit the non-recyclable waste plastics to fuel technology being acquired through the various IGE transactions; and

b) Operate these facilities at a profit to enable it to pay creditors and funding commitments as they fall due.

The above factors give rise to material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

However, the Directors believe that the Group will be successful in achieving favourable outcomes on the above matters and that it will have sufficient funds to pay its debts and meet its commitments from the date of this financial report, and accordingly, have prepared the financial report on a going concern basis.

At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2018. As such, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

Principles of consolidation

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of Integrated Green Energy Solutions Ltd ('Company or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Integrated Green Energy Solutions Ltd and its subsidiaries together are referred to in this financial report as the 'consolidated entity' or the 'Group'.

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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies (continued)

Foreign currency translation

The functional and presentation currency of the Group is Australian dollars. Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sales of goods are recognised when goods are delivered and title has passed. Service revenue is recognised by reference to the stage of completion of the transaction at balance date. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective rate applicable.

Other revenue is recognised when it is received or when the right to receive payment is established.

Financial Assets

Financial Instruments

Financial Instruments are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified at fair value through the profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or a shorter period where appropriate.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired when there is no objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Reversal of impairment

If in a subsequent accounting period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities are recognised initially at fair value at the trade date at which the Group becomes party to the contractual provisions of the instrument. The Groups financial liabilities include trade and other payables.

Derecognition of financial liabilities

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies (continued)

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Investments

Investments are stated at the lower of their carrying amount and fair value less costs to sell. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset is defined as the higher of its fair value less costs to sell and value in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured.

Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except those that are incurred as part of the construction of a qualifying asset, which are capitalised. Finance costs include interest on short and long term borrowings.

Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Share-based payments

Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Intangible Assets

Patents are recorded at cost and are amortised over a period of 20 years, being the period in which their benefits are expected to be realised

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Property, plant and equipment

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

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Plant and equipment is depreciated at rates of between 11.25% and 40.00%.

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

Income tax

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

Income tax credits, such as the R&D tax concession, are recognised as an income tax benefit in the statement of profit or loss when the right to receive payment is established.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

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

The Company is the head entity in a tax-consolidated group comprising the Company and all of its Australian wholly owned subsidiaries. The implementation date of the tax consolidated system of the tax consolidated group was 1 July 2003. The members of the tax consolidated group have not entered into any tax funding arrangements or a tax sharing agreement dealing with the allocation of income tax liabilities should the head entity default on its obligations. Tax funding or sharing agreements are not considered to be currently relevant to the operations of the tax consolidated group given the tax losses available for use.

Cash and cash equivalents

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

Trade and other receivables

All trade and other receivables are recognised at the amounts receivable as they are generally due for settlement by no more than 30 days. Terms of settlement vary depending on seasonality and the type of product sold.

Collectability of trade and other debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. A provision for impairment of receivables is raised when some doubt as to collection exists.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1. Statement of Significant Accounting Policies (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

Foreign currencies translations and balances

Transactions and balances

Transactions in foreign currencies of entities within the consolidated Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues or expenses for the financial year.

Issued capital

Ordinary share capital

Ordinary shares are classified as equity.

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

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon would be recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in the statement of comprehensive income as accrued.

Parent entity financial information

The financial information for the parent entity, Integrated Green Energy Solutions Ltd, disclosed in Note 25 has been prepared on the same basis as the consolidated financial statements.

Convertible notes

On issuance of convertible notes, an assessment is made to determine whether the convertible notes contain an equity instrument or whether the whole instrument should be classified as a financial liability.

When it is determined that the instrument contains an equity component based on the terms of the contract, on issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 2. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report 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 consolidated entity.

Share-based payments

Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Impairment of intellectual property assets and goodwill

IGES has taken a conservative approach with respect to financial reporting and made the decision to impair in full the amount of \$45.77 million relating to the intellectual property assets (IP) acquired via the completion of the business sale agreement with Integrated Green Energy Ltd and \$2.83 million relating to goodwill recognised from completion of the acquisition of Bin 2 Barell BV prior to relisting on 30 January 2018. IGES Continues to hold this IP and business. Notwithstanding the significant commercial upside represented by the IP and business acquired, this decision was driven by the fact that the intangible assets will be replaced with tangible assets in the form of an operating plant in Amsterdam as well as other cash generating assets as the development of other sites progresses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 3: Other income

Finance Income
Total other income

Consolidated	
30/06/2018	30/06/2017
\$	\$
4,575	85
4,575	85

Note 4: Income tax

a) Income tax benefit

Current tax
Deferred tax
Income tax benefit

Consolidated	
30/06/2018	30/06/2017
\$	\$
-	-
-	-
-	-

b) Reconciliation of income tax benefit to pre-tax accounting loss

Loss before income tax
Tax at the Australian tax rate 27.5%

Consolidated	
30/06/2018	30/06/2017
\$	\$
(57,735,055)	(17,435,567)
(15,877,140)	(4,794,781)
13,363,545	4,142,969
502,340	
2,011,255	651,812
-	-

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Research and development claim
Impairment expense not deductible
Share based payments
Other permanent differences
Tax losses and timing differences not recognised
Income tax benefit

c) Deferred Tax

No deferred tax assets have been recognised as yet, other than to offset deferred tax liabilities, as it is currently not probable that the future taxable profit will be available. Potential deferred tax asset on carry forward losses amount to \$27,668,919 (2017: \$25,657,664). The recoupment of these carried forward losses are subject to loss testing rules applicable at the time of recoupment.

Note 5: Cash and cash equivalents

Cash at bank
Rental bond

Consolidated	
30/06/2018	30/06/2017
\$	\$
1,279,305	30,411
67,406	17,286
1,346,711	47,697

Note 6: Trade and other receivables

Trade receivables

Other receivables

Consolidated	
30/06/2018	30/06/2017
\$	\$
-	-
-	-
729,301	17,498
729,301	17,498

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 7: Other current assets

Interest Receivable
Prepayments

Consolidated	
30/06/2018	30/06/2017
\$	\$
679	-
53,551	209,587
54,230	209,587

Note 8: Property, plant and equipment

Plant and equipment - at cost
Less: Accumulated depreciation
Property

Consolidated	
30/06/2018	30/06/2017
\$	\$
7,772,978	33,495
(1,116,923)	(32,969)
55,949	-
6,712,004	526

Reconciliations

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

	Plant and equipment	Motor vehicles	Property	Leasehold improvements	Total
Consolidated	\$	\$		\$	\$
Balance 1 July 2016	1,927	-	-	-	1,927
Addition	-	-	-	-	-
Depreciation expense	(1,401)	-	-	-	(1,401)
Balance at 30 June 2017	526	-	-	-	526
Balance 1 July 2017	526	-	-	-	526
Acquisition of IGE Assets	800,218	-	100,540	-	900,758
Acquisition of Bin 2 Barrel (note 20)	771,784	-	-	-	771,784
Addition	6,167,481	-	499,493	-	6,666,974
Disposals	-	-	(544,084)	-	(544,084)
Impairment expense	(800,218)	-	-	-	(800,218)
Depreciation expense	(283,736)	-	-	-	(283,736)
Balance at 30 June 2018	6,656,055	-	55,949	-	6,712,004

Note 9: Intangible Assets

Goodwill
Impairment of goodwill
Intellectual property
Impairment of intellectual property
Patents

Consolidated	
30/06/2018	30/06/2017
\$	\$
2,825,074	-
(2,825,074)	-
45,769,635	-
(45,769,635)	-
68,689	31,689
68,689	31,689

Reconciliations

Reconciliations of the net book values at the beginning and end of the current financial year are set out below:

	Goodwill	Intellectual Property	Patents	Total
Consolidated	\$	\$		\$
Balance 1 July 2017	-	-	31,689	31,689
Acquisition of IGE Assets	-	45,769,635	-	45,769,635
Acquisition of Bin 2 Barrel (note 20)	2,825,074	-	-	2,825,074
Addition	-	-	37,000	37,000
Impairment expense	(2,825,074)	(45,769,635)	-	(48,594,709)
Balance at 30 June 2018	-	-	68,689	68,689

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 10: Trade and other payables

Trade payables
Accrued expenses and sundry creditors
Share Subscriptions Received in Advance

Consolidated	
30/06/2018	30/06/2017
\$	\$
2,988,426	1,212,602
5,447,312	825,361
-	50,000
8,435,738	2,087,963

Note 11: Loans and other borrowings

Loan from IGE
Loans from unrelated parties
Loans from related parties
Interest on loans
Loan and interest payable to TVI Pacific Inc.
Capital promissory notes and interest payable

Consolidated	
30/06/2018	30/06/2017
\$	\$
1,652,689	35,382
176,865	1,135,670
779,891	150,000
534,796	386,388
24,081	24,081
29,116	32,075
3,197,437	1,763,596

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 11: Loans and other borrowings (continued)

Loan from related parties

During the period IGES received a net amount of \$629,891 from related parties (2017: \$150,000). The total outstanding loans from related parties are \$779,891.

Loan from ACN 162 406 706

As part of the completion of the Business Sale Agreement with ACN 162 406 706 (formerly known as Integrated Green Energy Limited), IGES owed a payment of \$2,903,700. A portion of this was paid upon relisting and \$210,000 offset with a property sale, with a balance of \$1,652,689, being payable on 30 April 2019.

Note 12: Equity - issued capital and reserves

	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	Shares	Shares	\$	\$
<i>Ordinary shares</i>				
Ordinary shares - authorised and fully paid	361,555,294	68,989,550	170,239,954	110,296,989
	361,555,294	68,989,550	170,239,954	110,296,989

Movements in ordinary share capital

Balance Ordinary Shares at 30 June 2017
Share placement - debt conversion
Share placement - in lieu of directors' fees
Share placement - in lieu of payables
Prospectus
Completion of IGE asset acquisition
Share placement – cash paid
Transaction costs
Balance at 30 June 2018

No. of shares	\$
68,989,950	110,296,989
19,009,414	3,801,883
1,408,387	281,677
615,000	123,000
32,235,000	6,447,000
214,510,497	42,902,099
24,787,046	7,181,387
-	(794,081)
361,555,294	170,239,954

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 12: Equity - issued capital and reserves (continued)

Share reserve

(i) Nature and purpose of reserve

This reserve is used to record the fair value of converting redeemable preference shares and options

Balance at beginning of year

options issued for acquisition of IGE assets

Balance at end of year

Foreign currency reserve

(i) Nature and purpose of reserve

This reserve is used to record the exchange differences arising on translation of a foreign entity

Balance at beginning of year

Foreign currency movements

Balance at end of year

Consolidated	
30/06/2018	30/06/2017
\$	\$
2,101,201	2,101,201
1,826,693	-
3,927,894	2,101,201
(9,949)	292,854
(210,964)	(302,803)
(220,913)	(9,949)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 13: Financial risk management

The Company and the consolidated entity have exposure to the following risks from their use of financial instruments

- credit risk
- liquidity risk
- market risk

This note presents information about the Company and consolidated entity's exposure to each of the above risks, the objectives policies and processes for measuring and managing the risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company and the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future exploration and evaluation of its tenements.

The consolidated entity defines capital as the equity as shown on the consolidated balance sheet.

There were no changes in the consolidated entity's approach to capital management during the year. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables from customers. For the Company it arises from receivables due from subsidiaries and associates.

The consolidated entity mitigates credit risk through a review of each potential customer. The maximum exposure to credit risk at the reporting date is disclosed in Note 6.

The consolidated entity is also indirectly affected by credit risk through its cash balances. The consolidated entity mitigates its risk through investment in triple rated financial institutions.

Integrated Green Energy Solutions Ltd undertakes a review of all loans and receivables periodically and assesses the recoverability of the asset against analysis of estimated future cash flows from future operations. Where the estimated future cash flows do not support recoverability of the loan balance, an allowance for impairment is recognised in the consolidated statement of comprehensive income.

Liquidity risk

Liquidity risk is the risk that the Company or consolidated entity will not be able to meet its financial obligations as they fall due. Refer Note 1: Going concern basis of accounting. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The cash facilities are continually monitored matching forecast cash flows with the maturity profile of financial assets and liabilities.

The following table shows the contractual maturities of financial liabilities.

	Consolidated			
	Carrying Amount	Contractual Cash Flows	6 months or less	Between 6 and 12 months
	\$	\$	\$	\$
Trade and other payables	8,435,738	8,435,738	8,435,738	-
Loans and other borrowings	3,197,437	3,197,437	-	3,197,437
	11,633,175	11,633,175	8,435,738	3,197,437

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 13: Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the consolidated entity's income or the value of its exploration tenements. The objective of market risk is to manage and control the market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The consolidated entity undertakes transactions in foreign currencies. The consolidated entity manages foreign exchange exposure by constantly monitoring and analysing exchange risks and currency used within its operations.

At 30 June 2018, the consolidated entity had payables in foreign currency of €877,973 relating to transactions for which the consolidated entity had firm commitments.

Based on the foreign currency payables at 30 June 2018 of €877,973, an official decrease in exchange rates of one percentage point would have a positive effect on profitability and equity of approximately \$13,880 per annum.

Conversely an official increase in exchange rates of one percentage point would have an adverse effect on profitability and equity of approximately \$13,880 per annum.

There were no forward exchange contracts in place at 30 June 2018.

Interest rate risk

The consolidated entity manages interest rate risk by constantly monitoring its interest rate sensitive assets and liabilities.

The consolidated entity has undertaken a sensitivity analysis on interest rate risk and has determined a one percentage point movement over the last twelve months is consistent with current market trends.

	Consolidated			
	Floating	Fixed Interest	Non Interest	Total
	\$	\$	\$	\$
30 June 2018				
<i>Financial assets</i>				
Cash at bank	1,346,711	-	-	1,346,711
Trade and other receivables	-	-	729,301	729,301
Total financial assets	1,346,711	-	729,301	2,076,012
Weighted average interest rate	0.75%			
<i>Financial liabilities</i>				
Trade and other payables	-	-	8,435,738	8,435,738
Loans	-	2,609,445	587,992	3,197,437
	-	2,609,445	9,023,730	11,633,175
Weighted average interest rate	12.00%			

Based on cash at hand of \$1,346,711 as at 30 June 2018, an increase in interest rates of one percentage point would have a positive effect on profitability and equity of approximately \$13,467 per annum. Conversely, a decrease in interest rates of one percentage point would have an adverse effect on profitability and equity of approximately \$13,467 per annum.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 13: Financial risk management (continued)

	Consolidated			
	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total
	\$	\$	\$	\$
30 June 2017				
<i>Financial assets</i>				
Cash at bank	47,697	-	-	47,697
Trade and other receivables	-	-	17,498	17,498
Total financial assets	47,697	-	17,498	65,195
Weighted average interest rate	2.85%			
<i>Financial liabilities</i>				
Trade and other payables	-	-	2,087,963	2,087,963
Loans	35,382	1,269,670	458,544	1,763,596
	35,382	1,269,670	2,546,507	3,851,559
Weighted average interest rate	4.80%			

Fair value of financial instruments

The carrying amount of financial instruments are deemed to reflect their fair value given their short term nature.

Note 14: Key management personnel disclosures

Compensation

The aggregate compensation made to the Directors and other members of key management personnel of the consolidated entity is set out below:

Short-term employee benefits
Post-employment benefits
Share-based payments

Consolidated	
30/06/2018	30/06/2017
\$	\$
786,000	401,000
-	-
210,000	-
996,000	401,000

Detailed remuneration disclosures are contained in the remuneration report on pages 7 to 11.

Note 15. Related party transactions

For the year ended 30 June 2018, the following related party transactions occurred:

On 1 July 2017, Paul Dickson or related parties loaned the company \$2,125,000 to assist with the Company's escrow obligations under the SGC funding commitment. A balance of \$636,802 remains outstanding.

Paul Dickson or related parties (Fandola Investments Pty Ltd) accrued fees of \$420,000 for his role of Executive Chairman.

Stuart Clark or related parties (Klick Consulting Services Pty Ltd) accrued fees of \$216,000 for his role as Managing Director.

On 7 December 2017, a related party of Stuart Clark was issued 1,050,000 shares at \$0.20 in lieu of directors fees while IGES was in the relisting process.

Bevan Dooley or related parties accrued fees of \$150,000 for his role as Chief Technical Officer of IGES.

Throughout the year, the following shares were issued to directors as outlined in the remuneration report:

Paul Dickson	102,922,024
Bevan Dooley	12,804,056
	115,726,080

The following shares were also issued for the reduction of amounts payable to directors:

Paul Dickson	4,162,500
David McIntosh	1,419,068
Stuart Clark	1,202,617
Kilroy Genia	100,000
	6,884,185

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 16. Auditors remuneration

In addition to audit services, Hall Chadwick provided Independent Accounting services to the Company as part of its prospectus released in August 2017

The following outlines the fees paid or payable for services provided by the auditors during the financial year.

Audit services

Audit fees paid or payable to Hall Chadwick

Non-audit services

Amounts received or due and receivable by Hall Chadwick

- Taxation services
- Corporate advisory services

Consolidated	
30/06/2018	30/06/2017
\$	\$
50,750	44,000
-	-
16,500	27,500
67,250	71,500

Note 17: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policies described in Note 1:

Name of entity	Country of Incorporation	Equity holding %	
		30/06/2018	30/06/2017
Integrated Green Energy Singapore Pte Ltd (a)	Singapore	100	N/A
Integrated Green Energy Amsterdam	The Netherlands	90	0
Integrated Green Energy UK Ltd (b)	United Kingdom	100	N/A
Integrated Green Energy HK Company Ltd (c)	Hong Kong	70	N/A
FOY (H.K.) Group Limited (d)	Hong Kong	100	N/A
Integrated Green Energy USA, Inc	USA	100	N/A
Integrated Green Partners, LLC	USA	50	N/A
New Guinea Iron Pty Limited *	Australia	100	100
GAMAS Magnesium Technology Pty Limited *	Australia	100	100
Titan Metals Limited *	Australia	100	100
Magnesium Holdings Pty Ltd *	Australia	100	100
Magnesium Developments Pty Limited *	Australia	100	100
Magnesium International (No.1) Pty Limited *	Australia	100	100
Magnesium International (No.2) Pty Limited *	Australia	100	100
SAMAG Pty Limited *	Australia	100	100
FOY Australia Pty Ltd *	Australia	100	100
FOY Technology Pty Ltd *	Australia	100	100
Titan Metals Limited *	PNG	100	100
Titan Mines Limited *	PNG	100	100
Fairway Resources Limited *	PNG	100	100

(a) Integrated Green Energy Singapore Pte Ltd was incorporated on 2 October 2017

(b) Integrated Green Energy UK Ltd was incorporated on 1 July 2017

(c) Integrated Green Energy HK Company Ltd was incorporated on 3 October 2017

(d) FOY (H.K.) Group Limited was incorporated on 25 September 2017

* Currently dormant

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 18. Reconciliation of loss after income tax to net cash flows from operating activities

Loss after income tax

Depreciation and amortisation

Impairment expense

Finance expense

Gain on sale of plant and equipment

Share based payments

Net of exchange differences

Changes in operating assets and liabilities:

Trade and other receivables

Other assets

Trade and other payables

Net cash outflow from operating activities

Consolidated	
30/06/2018	30/06/2017
\$	\$
(57,735,055)	(17,435,567)
283,736	1,401
49,394,927	15,065,341
2,078,888	386,388
(14,881)	-
962,099	-
(216,083)	-
(706,777)	(104)
155,357	(6,799)
1,023,976	649,055
(4,773,813)	(1,340,285)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 19. Earnings per share

Profit attributable to ordinary shareholders

Net profit / (loss) attributable to ordinary shareholders

Weighted average number of ordinary shares

(on a post-consolidation basis)

Issued ordinary shares at beginning of year

Effect of shares issued

Weighted average number of shares on issue at reporting date

Basic and dilutive loss per share

Options and converting redeemable preference shares are not dilutive

Consolidated	
30/06/2018	30/06/2017
\$	\$
(57,735,055)	(17,435,567)
2018	2017
No.	No.
68,989,550	64,592,882
122,196,463	2,999,371
191,186,013	67,592,253
(0.30)	(0.26)

Note 20. Acquisition of Controlled Entities

1 January 2018, the parent entity acquired a 90% interest in and control of Integrated Green Energy Amsterdam BV (formerly known as Bin 2 Barrel BV). By holding 90% of the outstanding voting shares in Integrated Green Energy Amsterdam BV, the Group holds the majority of the seats on the Board of Integrated Green Energy Amsterdam BV, thereby giving the Group the current ability to direct the relevant activities of the entity.

	Fair Value
	\$
Purchase consideration:	
Cash	2
Consideration payable	2,150,868
	<u>2,150,870</u>
Less:	
Property, plant and equipment	771,784
Cash	300,231
Trade and other receivables	5,026
Trade and other payables	(1,826,157)
Identifiable liabilities assumed	<u>(749,116)</u>
Less: non-controlling interests	(74,912)
Goodwill	<u>2,825,074</u>
Purchase Consideration - cash outflow	
Cash paid	(1,152,251)
Less: cash balance acquired	300,231
Inflow of cash - investing activities	<u>(852,020)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 20. Interests in Subsidiaries (continued)

- 1) The consideration paid to acquire Integrated Green Energy Amsterdam BV consisted of \$2,150,868 in cash, payable in instalments
- 2) A 10% interest in Integrated Green Energy Amsterdam BV is held by non-controlling interests. The fair value of the non-controlling interests at acquisition date has been recognised at \$74,912
- 3) The directors believe the receivables are fully recoverable and no provision for impairment is required.
- 4) The goodwill is attributable to the high profitability of the acquired business and the significant synergies that are expected to arise after the Group's acquisition of Integrated Green Energy Amsterdam BV.
- 5) No amount of the goodwill is deductible for tax purposes.

Losses of Integrated Green Energy Amsterdam BV included in consolidated profit of the Group since the acquisition date amounted to \$211,496

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of Integrated Green Energy Amsterdam BV. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally as the independent valuations have not been finalised.

Note 21: Share-based payments

Options on issue at reporting date

Post- consolidation basis	
Parent	
30/06/2018	30/06/2017
Options	Options
184,495,617	32,697,675

<i>Movement in Options</i>	Number of options	Weighted average exercise price \$
<i>Unlisted options</i>		
Opening balance at 1 July 2017	32,697,675	0.214
Options issued during the year	152,162,504	0.395
Options exercised during the year	-	-
Options lapsed during the year	(364,562)	1.500
Balance at 30 June 2018	184,495,617	0.360

Options hold no voting or dividend rights and are not transferable.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 21: Share-based payments (continued)

The Group has the following unlisted share options on issue at reporting date:

Number of options	Exercise Price	Issue Date	Expiry Date	Vesting Date	Vesting Conditions
3,384,451	\$ 0.20	22/04/2015	31/12/2019	22/04/2015	None
7,992,711	\$ 0.20	30/06/2015	31/12/2019	30/06/2015	None
14,215,953	\$ 0.20	30/07/2015	31/12/2019	30/07/2015	None
2,343,331	\$ 0.20	22/09/2015	31/12/2019	22/09/2015	None
4,396,667	\$ 0.20	31/10/2016	31/12/2019	31/10/2016	None
4,162,500	\$ 0.20	29/01/2018	31/12/2019	29/01/2018	None
148,000,004	\$ 0.40	29/01/2018	31/12/2020	29/01/2018	None
184,495,617					

The weighted average contractual life of the options are 2.31 years.

The following movements occurred during the year:

On 29 January 2018, 152,162,504 unlisted options were issued as part of the Business Sale Agreement with Integrated Green Energy Ltd.

Note 22: Parent entity disclosures

The ultimate parent entity within the group is Integrated Green Energy Solutions Ltd. The balances and transaction between the Company and its subsidiaries which are related to the Company have been eliminated on consolidation and are not disclosed within this note.

Results of the parent entity

Profit / (Loss) for the period
Total comprehensive income for the period

Company	
30/06/2018	30/06/2017
\$	\$
(57,951,138)	(17,617,002)
(57,951,138)	(17,617,002)

Financial position of parent entity at year end

Current assets
Total assets
Current liabilities
Total liabilities

3,408,797	119,876
6,752,888	306,997
5,560,995	3,851,559
5,560,995	3,851,559
Total equity of the parent comprising of:	
Share capital	170,239,954
Reserves	3,927,894
Accumulated losses	(173,893,890)
Total equity of the parent	273,958
	(110,296,988)
	2,101,201
	(115,942,752)
	(3,544,563)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 23: Operating segments

Integrated Green Energy Solutions Ltd has two operating and geographical segments. For management reporting purposes, the Group is organised into business units based on its activities and has identified its business segments as follows:

- The Waste Plastics to Fuel (WPTF) areas segment undertakes the construction and operation of WPTF facilities. These activities are currently being undertaken in the geographical segment of The Netherlands.
- The Corporate activities which incorporates the corporate functions of the parent entity including regulatory activities and the development of new markets and business opportunities. It is based in the geographical segment of Australia.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and financial income) and income taxes are managed on a group basis and are not allocated to operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 of the financial statements. Transfer prices between operating segments are on an arms length basis in a manner similar to transactions between third parties.

	Geographical Segments		
	The Netherlands WPTF	Australia Corporate	Total
	Operational Segments		
	WPTF Operations	Corporate	Total
30 June 2018			
Revenue	-	-	-
Cost of sales	-	-	-
Gross Profit	-	-	-
Other Income			
Finance income	-	4,575	4,575
Other income	-	14,881	14,881
Expenses			
Administrative expenses	(131,371)	(1,212,244)	(1,343,615)
Consultants expenses	-	(1,744,079)	(1,744,079)
Other expenses	-	(499,857)	(499,857)
Depreciation and amortisation	-	(283,736)	(283,736)
Due diligence and transaction costs	-	(100,335)	(100,335)
Employment expenses	(24,142)	(974,513)	(998,655)
Finance costs	-	(2,078,888)	(2,078,888)
Insurance expenses	-	(38,286)	(38,286)
Impairment expense	-	(49,394,927)	(49,394,927)
Occupancy expenses	-	(310,034)	(310,034)
Share based payments	-	(962,099)	(962,099)
Loss before income tax	(155,513)	(57,579,542)	(57,735,055)
Income tax benefit	-	-	-
Net loss for the year	(155,513)	(57,579,542)	(57,735,055)
Total assets	7,598,294	3,510,840	11,109,134
Total liabilities	(5,244,899)	(5,665,187)	(10,910,086)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2018**

Note 24: Commitments

Commitments in relation to expenditure contracted for at reporting date but not recognised as liabilities, payable;

Within one year

Later than one year but not later than five year

Later than five years

Consolidated	
30/06/2018	30/06/2017
\$	\$
131,556	3,009,445
74,382	8,880
-	-
205,938	3,018,325

Commitments of \$197,334 relate to a lease for IGES's leased corporate premises. This lease expires in December 2019.

Commitments of \$8,604 (2017: \$11,760) relate to the provision of data and print services.

Note 25: After balance date events

On 2 July 2018, IGES announced it had executed a Joint Venture Agreement ("JVA") with Hong Kong based recycling company Hong Kong Telford Envirotech Group Limited ("Telford"). The purpose of the JVA is to facilitate the design, construction and operation of a 200 tonne per day waste plastics to fuel facility in Hong Kong.

IGES will hold a 70% equity stake in the Joint Venture Company ("JVC") trading as IGE Hong Kong. With this IGES will control 3 seats of the 5-seat board, including the Chairman. IGES will control the appointment of all key management personnel.

As part of the transaction, IGES is to pay a fee of US\$3 million to Telford in 3 tranches:

- US\$500,000 upon execution of the agreement;
- US\$500,000 upon execution of the long-term site Telford has secured; and
- upon acceptance from the EPD and related government bodies for the facility, a final US\$2,000,000.

On 31 July 2018, IGES issued 6,417,265 ordinary shares in return for cash consideration of \$1,604,316.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2018

The Directors of Integrated Green Energy Solutions Ltd declare that:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- (c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- (d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001.

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



Paul Dickson
Chairman

Dated this 28 September 2018

**INTEGRATED GREEN ENERGY SOLUTIONS LIMITED
AND CONTROLLED ENTITIES
ABN 23 003 669 163**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INTEGRATED GREEN ENERGY SOLUTIONS LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 28 September 2018

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**INTEGRATED GREEN ENERGY SOLUTIONS LIMITED
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INTEGRATED GREEN ENERGY SOLUTIONS LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Opinion

We have audited the accompanying financial report of Integrated Green Energy Solutions Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- (a) the accompanying financial report of Integrated Green Energy Solutions Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibility* 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred an operating loss before tax of \$57,735,055 during the year ended 30 June 2018, and as of that date the Group's current liabilities exceeded its current assets by \$6,581,647. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2018. 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.

Carrying value property, plant and equipment and intangible assets

Refer to Note 8 Property, plant and equipment and Note 2 Critical accounting estimates and judgements

A substantial amount of the group's non-current assets relates to property, plant and equipment amounting to \$6,712,004 that are subject to an impairment assessment in accordance with AASB 136 "Impairment of Assets".

The carrying value of property, plant and equipment is considered a key audit matter because the value of property, plant and equipment relative to total assets are material to the group's financial report.

Our procedures included, amongst others:

- We assessed the group's accounting policies with respect to the property, plant and equipment for compliance with relevant Australian Accounting Standards;
 - We tested a sample of additions of property, plant and equipment to supporting documentation;
 - We reviewed the mathematical accuracy of the cash flow model;
 - We evaluated management's key assumptions used in the cash flow forecasts to determine the recoverability of property, plant and equipment and agreed relevant data to supporting documents;
 - We challenged management on the key assumptions used in the cash flow forecasts by considering this information and evidence available to us internally and externally; and
 - We assessed the adequacy of the group's disclosures in relation to the carrying value of property, plant and equipment.
-

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Acquisition of business assets from Integrated Green Energy Ltd

Refer to Note 9 Intangible assets and Note 2 Critical accounting estimates and judgements

During the year, the group acquired certain assets from Integrated Green Energy Ltd for a consideration of \$45,769,635 by the issuing of the company's shares and options. This was a significant asset acquisition for the group.

Accounting for this transaction required management to determine whether this acquisition is considered to be an acquisition of assets or business under AASB 3 "Business Combinations". Due to the significance of the acquisition and the judgement involved, this acquisition is considered to be a key audit matter.

Our procedures included, amongst others:

- We obtained the business sale agreement between the company and Integrated Green Energy Ltd to understand the terms and conditions of the transaction;
 - We obtained an understanding from management as to the basis for accounting for the acquisition as an asset acquisition;
 - We assessed the carrying value of intellectual property on acquisition and held discussions with management as to the basis of its carrying value; and
 - We assessed the adequacy of the group's disclosures in relation to the asset acquisitions.
-

Acquisition of Bin 2 Barrel Holdings B.V.

Refer to Note 20 Acquisition of controlled entities and Note 2 Critical accounting estimates and judgements

The acquisition of Bin 2 Barrel Holdings B.V. as disclosed in note 20 of the financial report is a key audit matter due to the size of the acquisition and complexities inherent in accounting for business combinations.

At the reporting date, the group has yet to complete the fair value assessment of the net assets acquired in Bin 2 Barrel Holdings B.V. Management has provisionally estimated the fair value of the identifiable assets acquired and liabilities assumed.

Our procedures included, amongst others:

- We read the sale and purchase agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management;
 - We evaluated the recognition of the purchase consideration and the fair value of the assets acquired and liabilities assumed on the acquisition against the terms of the sale and purchase agreement;
 - We assessed the carrying value of goodwill on acquisition and held discussions with management as to the basis of its carrying value; and
 - We assessed the adequacy of the group's disclosures in relation to the business combinations.
-

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Information Other Than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and the *Corporations Act 2001* and for such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 12 of the directors' report for the year ended 30 June 2018. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the remuneration report of Integrated Green Energy Solutions Limited for the year ended 30 June 2018 complies with s 300A of the *Corporations Act 2001*.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND

Partner

Dated: 28 September 2018

ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange Limited Listing Rules and not disclosed anywhere else in this Annual Report.

1. SHAREHOLDING

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Category (Size of Holding)			Number of Shareholders	% Holding	Number of Ordinary	% Holding
1	-	1,000	831	43.33	167,924	0.05
1,001	-	5,000	440	22.94	1,151,639	0.31
5,001	-	10,000	144	7.51	1,152,008	0.31
10,001	-	100,000	341	17.78	11,958,941	3.25
100,001	-	and over	162	8.45	353,541,648	96.08
			1,918	100.00	367,972,160	100.00

Holding less than a marketable parcel 885

(b) Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name of Shareholder	Ordinary Shares Held	
	Number	Percentage
SINGAPORE TRUST COMPANY PTE LTD <PUREBLOODS SG A/C>	113,863,835	30.94%
REBELLY HEALTHCARE (SHANGHAI) LIMITED	57,828,394	15.72%
MAC WEALTH HOLDINGS PTY LTD <MAC WEALTH HOLDINGS A/C>	21,000,000	5.71%
CITICORP NOMINEES PTY LIMITED	17,121,684	4.65%
J P MORGAN NOMINEES AUSTRALIA LIMITED	11,777,266	3.20%
EXPONENTIAL HOLDINGS PTY LTD <EXPONENTIAL HOLDGS UNIT A/C>	10,084,062	2.74%
CVO FAMILY INVESTMENTAS PTY LTD	7,684,062	2.09%
MS AMY CARMEN SACCO	7,684,062	2.09%
HEALEY SUPER PTY LTD <HEALEY SUPERANNUATION FUND>	7,684,062	2.09%
ALPHA DARLING PTY LTD <ALPHA DARLING DISCRETION A/C>	5,494,430	1.49%
SOLID ENERGY TECHNOLOGIES PTY LTD	5,119,995	1.39%
MAXIM WEALTH PTY LTD <MAXIM WEALTH A/C>	4,900,945	1.33%
FREESTUN INVESTMENTS PTY LTD <THE FREESTUN A/C>	4,704,918	1.28%
SIDCOR 49 PTY LTD <SIDCOR 49 UNIT A/C>	3,634,844	0.99%
GARRY ROALD OHLSON <SVENSKA SEAMANS RETIRE S/F>	3,459,456	0.94%
NEEMS HOLDINGS PTY LTD <NEEMS FAMILY A/C>	3,416,359	0.93%
E2E CONSULTING PTY LTD <INFLUENCE INVESTMENT A/C>	3,063,417	0.83%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,846,635	0.77%
MCINTOSH & ASSOCIATES PTY LTD <DAVID MCINTOSH FAMILY A/C>	2,798,079	0.76%
M & C PALMER INVESTMENTS PTY LTD <M & C PALMER SUPER FUND A/C>	2,533,795	0.69%
	296,700,300	80.63%

(c) Substantial holders

The names of the substantial shareholders listed in the Company's register are:

Name of Shareholder	Number of Ordinary Shares
SINGAPORE TRUST COMPANY PTE LTD <PUREBLOODS SG A/C>	113,863,835
REBELLY HEALTHCARE (SHANGHAI) LIMITED	57,828,394
MAC WEALTH HOLDINGS PTY LTD <MAC WEALTH HOLDINGS A/C>	21,000,000

ADDITIONAL ASX INFORMATION

(d) Unquoted equity holdings

	Number on issue	Number of holders
Options over ordinary shares issued	184,495,611	50

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

Holders of ordinary shares carry the same voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Converting redeemable preference shareholders and Option holders have no voting rights.

There are no other classes of equity securities.