

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

SPECIAL PURPOSE FINANCIAL REPORT

For the Year Ended 30 June 2018

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Contents page

For the Year Ended 30 June 2018

	Page(s)
Director's Report	3 - 4
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 21
Director's Declaration	22
Independent Auditor's Report	23

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Director's Report

For the Year Ended 30 June 2018

The Directors present their report on Powerlines Plus Pty Ltd for the financial year ended 30 June 2018.

Director

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

Mr David Riches

Mr George Lloyd (Appointed 20/07/2018)

Mr Giuseppe Gugliotta (Appointed 01/12/2017), Resigned 06/07/2018)

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

Financial results, review of operations & principal activities

The net profit of Powerlines Plus Pty Ltd for the financial year ended 30 June 2018 after providing for income tax amounted to \$4,807,051

A review of the operations of the company during the financial year and the results of those operations are as follows:

Increased activity within the company saw revenue increase by 21% resulting in an increase in profit after tax of 6%.

Principal Activity

The principal activity during the financial year was the provision of powerline installation services in Western Australia.

Significant changes in state of affairs

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

Events arising since the end of the reporting period

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

Likely developments

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

Environmental issues

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

Dividends

There was a total of \$2,031,517 fully franked dividends declared and paid during the financial year.

Options

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

Indemnification of Officers

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

Proceedings on behalf of the Company

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

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

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 5 and forms part of this director's report.

During the period, Powerlines Plus Pty Ltd applied Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board, to the extent as outlined in Note 1.

Signed in accordance with a resolution of the directors:



Name: David William Riches

Position: Director

Date: 20/12/18

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Powerlines Plus Pty Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
20 December 2018

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue	2	59,127,773	48,858,402
Other income	3	97,957	91,028
		<u>59,225,730</u>	<u>48,949,430</u>
Employment expenses		(17,446,785)	(16,227,489)
Consumables and materials used		(16,832,791)	(11,293,441)
Contractors and labour hire expenses		(10,942,920)	(7,310,037)
Loss on sale of assets		(75,127)	(189,811)
Motor vehicle expenses		(1,683,155)	(2,284,958)
Depreciation and amortisation expenses		(1,172,379)	(990,411)
Finance costs	4	(241,319)	(118,324)
Other expenses		(4,306,847)	(4,041,022)
Profit before income tax		<u>6,524,407</u>	<u>6,493,937</u>
Income tax expense	6	(1,717,356)	(1,953,824)
Profit for the year		<u>4,807,051</u>	<u>4,540,113</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>4,807,051</u>	<u>4,540,113</u>

The accompanying notes form part of these financial statements.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Statement of Financial Position

For the Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	7	7,097,685	2,529,152
Trade and other receivables	8	13,798,078	12,262,839
Inventories	9	223,709	201,709
Investments	10	-	74,539
Other assets	11	(310,640)	618,723
Total current assets		<u>20,808,832</u>	<u>15,686,962</u>
Non-current assets			
Investments	10	8,077,590	-
Property, plant and equipment	12	6,161,493	5,758,987
Other assets	11	28,765	7,149
Total non-current assets		<u>14,267,848</u>	<u>5,766,136</u>
Total assets		<u>35,076,680</u>	<u>21,453,098</u>
Current liabilities			
Trade and other payables	13	10,452,570	5,111,048
Borrowings	14	1,453,167	867,494
Provisions	15	488,323	406,063
Current tax payable	16	(863,177)	150,991
Total current liabilities		<u>11,530,883</u>	<u>6,535,596</u>
Non-current liabilities			
Borrowings	14	4,487,451	497,288
Provisions	15	30,994	-
Deferred tax liabilities	16	(33,127)	47,859
Total non-current liabilities		<u>4,485,318</u>	<u>545,147</u>
Total liabilities		<u>16,016,201</u>	<u>7,080,743</u>
Net assets		<u>19,060,479</u>	<u>14,372,355</u>
Equity			
Issued capital	17	1,912,602	12
Retained earnings		16,823,234	14,047,700
Asset Revaluation Reserve		324,643	324,643
Total equity		<u>19,060,479</u>	<u>14,372,355</u>

The accompanying notes form part of these financial statements.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Statement of Changes in Equity

For the Year Ended 30 June 2018

	Notes	Retained earnings \$	Asset Revaluation Reserve	Issued Capital \$	Total \$
Balance at 1 July 2016		11,087,692	324,643	12	11,412,347
Total comprehensive income for the 2017 year		4,540,113	-	-	4,540,113
Dividends Paid	5	(1,580,105)	-	-	(1,580,105)
Balance at 30 June 2017		14,047,700	324,643	12	14,372,355
Total comprehensive income for the 2018 year		4,807,051	-	-	4,807,051
Dividends Paid	5	(2,031,517)	-	-	(2,031,517)
Shares issued during the year		-	-	1,912,590	1,912,590
Balance at 30 June 2018		16,823,234	324,643	1,912,602	19,060,479

The accompanying notes form part of these financial statements.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Statement of Cash Flows

For the Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from operations		57,285,717	44,948,282
Payments to suppliers and employees		(45,442,278)	(41,806,153)
Income tax paid		(2,462,944)	(2,169,606)
Net cash generated by operating activities	18	<u>9,380,495</u>	<u>972,523</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(704,593)	(1,797,272)
Proceeds from disposal of property, plant and equipment		367,610	350,890
Proceeds/(Payments) for investments		(4,600,000)	1,002,470
Interest received		27,359	56,124
Proceeds received from related party loans		-	290,228
Payments made on related party loans		(2,200,445)	-
Net cash used in investing activities		<u>(7,110,069)</u>	<u>(97,560)</u>
Cash flows from financing activities			
Dividends paid		(1,629,653)	(1,580,105)
Reduction in equipment finance loans		(430,921)	(276,768)
Finance costs paid		(241,319)	(95,753)
Proceeds from borrowings		4,600,000	359,726
Net cash generated by/(used in) financing activities		<u>2,298,107</u>	<u>(1,592,900)</u>
Net increase/(decrease) in cash and cash equivalents		<u>4,568,533</u>	<u>(717,937)</u>
Cash and cash equivalents at the beginning of the financial year		2,529,152	3,247,089
Cash and cash equivalents at the end of the financial year		<u>7,097,685</u>	<u>2,529,152</u>

The accompanying notes form part of these financial statements.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

Introduction

Powerlines Plus Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors of Powerlines Plus Pty Ltd on 20 December 2018.

The principal activity of the company during the financial year was to provide power line installation services in Western Australia. There have been no significant changes in the nature of these activities during the year.

The financial statements are presented in Australian dollars.

1 Summary of significant accounting policies

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Corporations Act 2001. The company is a for-profit entity for financial reports purposes under Australian Accounting Standards.

These financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the Director has determined are appropriate to meet the needs of the member.

Basis of Preparation

The financial statements (except for the cashflow information) have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Changes in Accounting Policies on Initial Application of Accounting Standards

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the company's operations and effective for the current annual reporting period. The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2018.

As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the company and therefore, no change is necessary to the accounting policies.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Significant accounting policies

a Income Tax

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

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

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

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

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

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

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

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

Powerlines Plus Pty Ltd has implemented the tax consolidation legislation. As a consequence, all tax liabilities are borne by the head entity, GenusPlus Group Pty Ltd in the tax consolidated group from 1 June 2018.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

b Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognized to date less any anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Once the outcome of a construction contract can be estimated reliably the contract revenues and expenses are recognized in the statement of comprehensive income in proportion to the state of completion of the contract. The stage of completion is measured by reference to the actual costs incurred to date as a percentage of estimated total costs of each contract.

Where the outcome cannot be reliably determined, contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Where it is probable that a loss will arise from a construction contract the excess of total costs over revenue is recognised as an expense immediately.

Construction revenue has been recognized on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

c Inventories

Inventories consist of construction stocks, maintenance stocks and general purpose materials and are stated at the lower of cost or net realisable value.

d Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost.

Plant and equipment

Plant and equipment are measured on the cost basis or in certain circumstances at fair value based on director's valuations and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

Depreciation

All fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	2.5 - 66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

e Trade and other receivables

Trade receivables are initially recognised at fair value. Collectability of trade receivables is reviewed on an ongoing basis, and an allowance for doubtful debts is recognised when there is objective evidence that the collection of the full amount is no longer probable. Bad debts are written off when identified. Receivables from related parties are recognised and carried at the nominal amount due.

f Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

g Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. There are no employee benefits payable in later than one year.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

h Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

j Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

k Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

l Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m Reserves

The asset revaluation reserve records revaluations of certain non-current assets. Under certain circumstances, dividends can be declared from this reserve.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

n Comparative Figures

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

Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

o Critical Accounting Estimates and Judgments

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

The value of work in progress for construction contracts and revenue from such contracts contain an element of estimation in relation to the costs to complete and stage of completion of the contracts.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018 \$	2017 \$
2 Revenue		
Operating activities		
Operating revenue	59,011,764	48,701,593
	<u>59,011,764</u>	<u>48,701,593</u>
Other revenue		
Interest	27,359	55,285
Other revenue	88,650	101,524
	<u>116,009</u>	<u>156,809</u>
Total revenue	<u>59,127,773</u>	<u>48,858,402</u>
3 Other income		
Insurance recoveries	90,486	91,028
Other Income	7,471	-
Total other income	<u>97,957</u>	<u>91,028</u>
4 Finance costs		
Interest and finance costs on borrowings	241,319	118,324
	<u>241,319</u>	<u>118,324</u>
5 Dividends		
Distributions Paid		
a. Declared fully franked dividend of \$2,031,517 (2017: \$1,580,105) fully franked at the tax rate of 30% (2017: 30%)	<u>2,031,517</u>	<u>1,580,105</u>
b. Balance of franking account at year-end adjusted for franking credits arising from:		
- payment of provision for income tax		
- dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years	<u>7,472,385</u>	<u>6,004,734</u>

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018 \$	2017 \$
6 Income tax		
(a) Income tax expense		
Current tax expense / (income)	1,433,704	2,033,327
Deferred tax expense / (income) related to the origination and reversal of temporary differences in relation to deferred tax assets	(120,772)	(79,503)
Equity contribution (Stand-Alone) Tax Consolidation UIG 1052	404,250	-
Understatement of ITE 2017	174	-
Total tax expense / (income) in the statement of comprehensive income	<u>1,717,356</u>	<u>1,953,824</u>
Current tax expense is attributable to:		
- Profit from continuing operations	<u>1,717,356</u>	<u>1,953,824</u>
Deferred income tax (revenue)/expense included in income tax expense comprises:		
- Increase (decrease) in deferred tax liability	<u>(120,772)</u>	<u>(79,503)</u>

Powerlines Plus Pty Limited has implemented the tax consolidation legislation. As a consequence, all tax liabilities are borne by the head entity, GenusPlus Group Pty Limited in the tax consolidated group from 1 June 2018.

- (b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:**

Profit / (loss) from continuing operations before income tax expense	6,524,407	6,493,937
Income tax calculated at 30% (2017: 30%)	<u>1,957,322</u>	<u>1,948,181</u>
Add/(less):		
Non-deductible expenses	(240,140)	5,643
Understatement of ITE 2017	174	-
Income tax expense / (income)	<u>1,717,356</u>	<u>1,953,824</u>

- (c) Amounts recognised directly in other comprehensive income**

No deferred tax amounts were credited directly to other comprehensive income during the year ended 30 June 2018 or 30 June 2017.

- (d) Deferred tax liability**

Deferred tax comprises:		
Retentions receivable	97,756	33,505
Work in progress	96,000	27,454
Employee benefits	(155,795)	(121,819)
Superannuation payable	(90,148)	(89,143)
Provision for doubtful debts	(184,500)	(124,500)
Other items	203,560	322,362
	<u>(33,127)</u>	<u>47,859</u>

- (e) Tax losses**

There are no unused tax losses.

- (f) Unrecognised temporary differences**

There are no unrecognised temporary differences.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018 \$	2017 \$
7 Cash and cash equivalents		
Cash at bank	7,095,506	2,528,473
Cash on hand	<u>2,179</u>	<u>679</u>
	<u>7,097,685</u>	<u>2,529,152</u>
8 Trade and other receivables		
Current		
Trade receivables	11,246,271	9,917,079
Allowance for doubtful debts	(615,000)	(415,000)
Accrued income	657,700	1,746,906
Loans - related entities	2,479,107	982,454
Other receivables	<u>30,000</u>	<u>31,400</u>
	<u>13,798,078</u>	<u>12,262,839</u>
An allowance for doubtful debts has been recognised to reflect amounts included in trade receivables from debtors who have been placed into liquidation.		
9 Inventories		
Current		
Construction stocks, maintenance stocks and general purpose materials	<u>223,709</u>	<u>201,709</u>
	<u>223,709</u>	<u>201,709</u>
10 Investments		
Current		
Term deposits	<u>-</u>	<u>74,539</u>
	<u>-</u>	<u>74,539</u>
These are cash deposits held as security on bank guarantees for contracts.		
Non-current		
Interests in wholly owned subsidiaries (at cost)		
Diamond Communications Pty Ltd	6,165,000	-
Proton Power Pty Ltd	1,100,000	-
Complete Cabling & Construction Pty Ltd	<u>812,590</u>	<u>-</u>
	<u>8,077,590</u>	<u>-</u>

Powerlines Plus acquired Diamond Communications Pty Ltd during the year for \$6,165,000 cash consideration. Additionally, Powerlines Plus also acquired 100% of both Proton Power Pty Ltd and Complete Cabling & Construction Pty Ltd on the 31st of May 2018, through the issue of shares.

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018 \$	2017 \$
11 Other assets		
Current		
Prepayments	9,360	527,210
Work in progress (net of progress payments)	(320,000)	91,513
	<u>(310,640)</u>	<u>618,723</u>
Non-current		
Other non-current assets	28,765	7,149
	<u>28,765</u>	<u>7,149</u>
12 Property, plant and equipment		
Plant and equipment (at cost)	3,322,259	2,569,815
Less depreciation - plant and equipment	(1,549,824)	(1,106,754)
Motor vehicles (at cost)	6,689,707	6,027,368
Less depreciation - motor vehicles	(2,337,931)	(1,829,049)
Land & Buildings (at cost)	44,602	124,549
Less depreciation - Land & Buildings	(7,320)	(26,942)
	<u>6,161,493</u>	<u>5,758,987</u>
13 Trade and other payables		
Current		
Creditors	5,116,255	3,349,897
Accrued expenses	1,602,879	194,614
Employee benefits	550,120	319,176
Other payables	3,183,316	1,247,361
	<u>10,452,570</u>	<u>5,111,048</u>
14 Borrowings		
Current		
Insurance finance	-	536,469
Motor vehicle finance	533,167	331,025
CBA Facility	920,000	-
	<u>1,453,167</u>	<u>867,494</u>
Non-current		
CBA Facility	3,680,000	-
CBA Overdraft Facility	463,535	-
Motor vehicle finance	343,916	497,288
	<u>4,487,451</u>	<u>497,288</u>
Finance Leasing and Hire Purchase Commitments		
Payable - minimum lease payments:		
- not later than 12 months	533,167	331,025
- between 12 months and five years	343,916	497,288
- later than 5 years	-	-
Minimum lease payments	<u>877,083</u>	<u>828,313</u>
Less future finance charges	-	-
Present value of minimum lease payments	<u>877,083</u>	<u>828,313</u>

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018 \$	2017 \$
15 Provisions		
Current		
Employee Annual Leave Provision	488,323	406,063
	<u>488,323</u>	<u>406,063</u>
Non Current		
Employee Long Service Leave Provision	30,994	-
	<u>30,994</u>	<u>-</u>
16 Tax		
Current asset		
Income tax refundable	-	-
Current liability		
Income tax payable	(863,177)	150,991
Non-current liability		
Deferred tax liability	(33,127)	47,859
17 Issued capital		
Issued capital	1,912,602	12
	<u>1,912,602</u>	<u>12</u>
Ordinary shares participate in dividends and the proceeds or winding up of the company in proportion to the number of shares held.		
At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.		
	No. of Shares	No. of Shares
At the beginning of the reporting period	12	12
- Share split of fully paid ordinary shares - 4 May 2018	61,500,000	12
<u>Shares issued during the year:</u>		-
- 14 May 2018	8,000,000	-
At the end of the reporting period	<u>69,500,000</u>	<u>12</u>
18 Reconciliation to Cash Flows from Operations		
Net profit for the period	4,807,051	4,540,113
Non-operating cash flows in net profit (loss)		
Depreciation and amortisation	1,172,379	990,411
Net loss on disposal of property plant & equipment	75,127	202,547
Provision for employee leave benefits	113,253	160,234
Provision for doubtful debts	200,000	-
Change in Assets and Liabilities		
Decrease/(Increase) in Receivables	(400,193)	(7,905,010)
Decrease/(Increase) in Other	907,747	7,650
Decrease/(Increase) in Inventories & WIP	(22,000)	340,708
(Decrease)/Increase in Payables	2,527,131	2,635,870
Net cash provided by operating activities	<u>9,380,495</u>	<u>972,523</u>

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Notes to the Financial Statements

For the Year Ended 30 June 2018

2018	2017
\$	\$

19 Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

- secured guarantee to company's bankers supported by a floating charge over the company's assets for the bank overdraft of a corporation owned by related parties	5,083,064	3,357,151
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5,083,064	3,357,151
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20 Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

Payable - minimum lease payments:

- not later than 12 months	247,073	390,110
- between 12 months and five years	60,971	1,008,273
- later than 5 years	-	400,000

308,044	1,798,383
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21 Events After the Reporting Date

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

22 Deed of Cross Guarantee

Powerlines Plus Pty Ltd is a party to a deed of cross guarantee held by the holding entity, GenusPlus Group Pty Ltd under which each company guarantees the debts of the others.

23 Company Details

The registered office of the Company is:

11-15 Cooper Avenue
Kenwick WA 6107

The principal place of business is:

11-15 Cooper Avenue
Kenwick WA 6107

Powerlines Plus Pty Ltd

ABN: 20 135 293 793

Director's Declaration

For the Year Ended 30 June 2018

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors acknowledged that they have responsibility for the reliability, accuracy and completeness of the accounting records of the company and has disclosed all material and relevant information for the preparation of the financial report.

The Directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 6 to 21, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements, the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2 There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Name: David William Riches

Position: Director

Date: 20/12/18

Independent Auditor's Report to the Members of Powerlines Plus Pty Ltd**REPORT ON THE AUDIT OF THE FINANCIAL REPORT****Opinion**

We have audited the financial report of Powerlines Plus Pty Ltd ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 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 Company's internal control.
- 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 Company'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 Company 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.

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.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
20 December 2018



N G Neill
Partner