

**LOCALITY PLANNING ENERGY
HOLDINGS LIMITED**

ANNUAL REPORT 2016

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

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Corporate Directory

NON-EXECUTIVE CHAIRMAN

Mr Andrew Pierce

EXECUTIVE DIRECTORS

Mr Damien Glanville

Mr Ben Chester

COMPANY SECRETARY & CFO

Mr Charles Furness

PRINCIPAL & REGISTERED OFFICE

Suite 18, 13 Norval Court,

Maroochydore QLD 4558

Phone: +61 7 5479 2875

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AUDITORS

Bentleys

Level 9, 123 Albert Street

Brisbane QLD 4000

Phone: +61 7 3222 9777

SHARE REGISTRAR

Advanced Share Registry Services

150 Stirling Highway

NEDLANDS WA 6009

Phone: +61 8 9389 8033

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STOCK EXCHANGE LISTING

Australian Securities Exchange

Code: LPE

Chairman's letter

Dear Shareholder,

On behalf of your board, it is a pleasure to present the annual report of Locality Planning Energy Holdings Limited (LPE) for the financial year ended 30 June 2016.

It has been a transformative year for your Company, which has successfully transitioned from a general minerals explorer to life as a regulated retailer of electricity in Australia, following our acquisition and relisting on the Australian Securities Exchange (ASX).

Successful Acquisition and Capital Raising

The acquisition of Locality Planning Energy Pty Ltd by Stratum Metals Limited was successfully completed late in 2015, in conjunction with a fund raise of \$6 million. We received strong support from our shareholders and new and existing institutional and retail investors, with the public offer closing oversubscribed.

With the acquisition, the Company was renamed Locality Planning Energy Holdings Limited and changed its operations to become an energy retailer. Your Company was reinstated to trading on the ASX on 4 January 2016.

Strengthened Board

At the date of settlement for the acquisition of Locality Planning Energy Pty Ltd by Stratum Metals Limited, Mr Damien Glanville and Mr Ben Chester were appointed as Executive Directors of the Company.

As Chief Executive Officer, Damien brings over 13 years of experience with previous senior roles in management and logistics and energy sector, with a focus on renewable energy, on-site generation and the solar PV industry.

Ben brings over 7 years of experience to his role as Chief Operating Officer, with a background in large-scale energy asset development and deployment and energy to market strategy and prior experience with an ASX listed company, specialising in renewable and energy projects.

Their appointments replace outgoing directors John Shepherd and Daniel Moore, who stepped down from their roles as non-executive directors of the Company as the Company changed its core operations.

Strong Operational Performance

Operationally, LPE has continued to build strong momentum in its contracted pipeline, driven by the management team's commitment to driving sales. At 30 June 2016, 79.9GW were in the contracted pipeline, with 131 strata communities under contract and 62 communities generating revenue.

Subsequent to year-end, LPE has continued to grow this pipeline, and increased revenue generating contracts to 45.56GWh at the end of August 2016, as it fast approaches its first performance milestone of 50GWh.

Annual Results

Our strong operational progress has converted to solid financial results. For the year ended 30 June 2016, LPE delivered revenues of \$1.7 million, a record result which was up considerably on prior year.

The Year Ahead

We remain very well positioned to expand our operations nationally, with an initial focus on New South Wales and the Australian Capital Territory. We have already seen a strong start to FY17, with a significant uplift in GWh commencing billing.

The launch of our first commercial Electric Vehicle charging station in Noosa marks the first of a number of expansion opportunities identified by your management team, which will utilise LPE's embedded networks technology.

Our strong momentum during the financial year has further solidified LPE's position as a leading retail energy provider. Thank you for your ongoing support as a shareholder and we look forward to updating you as the Company continues to grow its market share in the residential and strata community energy market.

Yours sincerely,

Andrew Pierce

Non-Executive Chairman & Director

Chief Executive Officer's Report

Dear Shareholders,

I am pleased to present this review of Locality Planning Energy Holdings Limited for the 2016 financial year, a year with consistent growth.

With six (6) months passing from the completion of the successful acquisition of Locality Planning Energy Pty Ltd, I am proud to report that we exceeded our interim targets for growth and are sixty-one percent (61%) and nine (9) months ahead of our business case projections.

This has created a strong foundation to meet our long-term goal of 450MWh of energy under contract by 2020 and provided strong revenues to \$1.7 million, a solid financial result, since January 2016.

The growth of your company has been exciting and the hard work is prevailing as we forge our niche inside the large \$34b National Energy Market. Our momentum in achieving our milestones of energy under management, and establishing LPE as the leading brand for strata communities' electricity and utility services to and inside an embedded network, is ever increasing. This is being achieved through the delivery of high service levels and significant ongoing financial savings to our customers, whilst maintaining the highest level of consumer protection.

We have identified pure service levels as a key driver to business success and continually refine what we do in order to improve our operational excellence and increase our efficiency which creates a greater competitive advantage. During the past year, we continued to further automate our business platforms, improve internal networking and collaboration making significant progress in building a scalable business model with standardised and accelerated business processes.

By the end of the 2015/16 year, the number of employees across the company, most of which are in the single service centre on the Sunshine Coast, had climbed to 19. Key processes for our entire organisation are handled at this centre, which is a strength to our service. In addition, we are launching a new digital networking platform for all processes which will enable satellite growth while maintaining our great service levels. This package integrates into our current proprietary IT platforms and facilitates collaboration across the entire business.

LPE operates in a dynamic and competitive market with many changes becoming effective in the 2015/16 year. Full deregulation of the Queensland energy market and unprecedented wholesale electricity price movements forced up market contracts and continued the uncertainty around environmental policies. These, plus further pressure on on-sellers of electricity to adhere to newly enforced regulations and obligations, indicates the robust and low risk business model that LPE has established.

This is indicated with annual MWh's under management (billed customers) along with the pipeline of contract communities being consistently maintained above 130.

Our commitment to innovation and improvement is reflected in high growth rates across all sectors. We are a leader in the developer market with our initiative for the deployment of electric instant water heaters as an alternative to a centralised hot water plant. We also launched our first electric vehicle (EV) charging station unlocking strata communities to the EV world without the body corporate having to wear the financial burden.

Chief Executive Officer's Report (Cont'd)

Our Strategy for the coming year

We will maintain our commitment to become the leader in providing energy as a service to strata communities with an increased focus on adding more utility service products that are value added to LPE's new and existing communities.

Our main strategy and focus will be to drive continual growth of our Embedded Network services throughout Queensland as we will look to NSW and ACT to grow on our strong and ever increasing portfolio of Embedded Networks.

Our three (3) main product offerings will still remain as, Retro, Existing EN's and Developers (Greenfield).

Retro

The Retrofitting market represents the biggest opportunity for LPE in the coming 12 months with a large percentage of 40+ lot strata communities still not utilising an Embedded Network to unlock consumer savings on the cost of their annual electricity bill along with body corporates common area charges.

This has been driven by our strong sales force of three (3) regional managers from the Sunshine Coast to Harvey Bay, Inner Brisbane north and south, and the Gold Coast to Tweed Heads together with our newly appointed Senior Sales and Marketing Manager. The current sales team has positioned us well to capture a high number of communities throughout these regions. We are continually improving our key sales processes to maximise our sales teams' effort in the field with a goal of achieving an 80% customer contact time vs 20% administration time over the coming financial year.

Existing Embedded Networks

Strata communities who are already on selling electricity to their communities remain a key growth target for the coming year. With the initial changes to on selling obligations still filtering through to body corporate communities and advisors, our focus will be on clearly identifying the benefits of LPE's energy as a service over a strata community attempting to provide these services themselves.

Strength in our brand awareness and a recent regulator imposed fine and court order to an on-seller has positioned us well to capture a greater market share as body corporates choose to remove themselves from the risk and obligation.

Developers (Greenfield)

The demand for utility services in the new build strata sector is still firm, with developers looking for the added service that LPE offer through providing hot water infrastructure, gas cook top services and even the capture and billing of air conditioning.

With new build strata developments in SE Queensland holding steady we will look for growth in the southern states such as NSW and ACT to grow our market share in the new build sector.

Looking ahead

We maintain our long-term vision to nationally become the leader in electricity supply and utility services to strata communities through our unique offering of "Energy as a Service" guided by our values of delivering competitive savings, the highest service levels and without removing any of our consumers' rights. Our aim of outperforming our competition in service, knowledge and simplified operations is only possible through the business focusing on our strategy and the dedication of our staff.

Chief Executive Officer's Report (Cont'd)

We actively manage diversity and have instilled a meritorious employment strategy over the past year, with the recent appointment of three women into senior management roles, this equates to around 40% of our managers being women. Currently female employees make up 55% of our total workforce ensuring we deliver on policies of being an equal opportunity employer providing for a diverse workforce that blends different cultural backgrounds and work experiences.

Our excellent performance to date is based on our clear strategy and a strong team ethos that drives its execution. In order to excel in a highly dynamic and complex business environment, our teams require strong leaders. We aim to continuously improve our leadership team and foster a unique performance culture.

Strong relationships with our major stakeholders and industry customers are a critical success factor for our business and helped us to grow our share of sales with them.

We are committed to leadership in sustainability – this is anchored in our company values. We will continue to be ambassadors for consumer advocacy in the embedded electricity sector, drive continuous improvements in all its dimensions and actively engage in dialog with stakeholders on our strategy, decisions and actions.

I would like to thank all LPE employees for their dedication and contribution to our excellent business and social performance. I would also like to thank our supervisory bodies for their valuable advice. I would like to especially thank you, our shareholders, for your continued trust and support.

Finally, I would like to thank our customers, and customer stakeholders for their confidence in our company, people, and service.

Everyone at LPE is fully committed to our strategy and targets, and we will continue to implement and deliver excellent performance throughout the coming financial year.

Sincerely,

Damien Glanville

CEO and Executive Director

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Locality Planning Energy Holdings Limited and its controlled entities at the end of, or during the year ended, 30 June 2016.

1. THE DIRECTORS

The following persons were directors of the Company during the financial year and up to date of this report:

Mr Andrew Pierce

Non-Executive Chairman and Director

Qualifications

FCA

Experience

Mr Pierce is an accomplished and highly regarded accountant and director, having served on the boards of Variety The Children's Charity (NSW), Guide Dogs NSW/ACT, Royal Guide Dogs Australia and Centre For Eye Health Limited. He is highly skilled in the areas of financial reporting, company regulatory and governance areas. During the past three years, Mr Pierce has not served as a director of any other ASX listed companies.

Mr Pierce is a Fellow of Chartered Accountants Australia and New Zealand, having been in private practice as a partner or principal since 1972.

Mr Pierce is a member of the Audit and Risk Management Committee.

In accordance with the ASX Corporate Governance Council's definition of independence and the materiality thresholds set, the Directors consider Mr Pierce to be independent.

Special responsibilities

Chairman

Interest in Shares and Options

8,960,641 fully paid ordinary shares
10,000,000 options exercisable at \$0.025, expiring 30 June 2017

Directorships held in other listed entities

Nil

Mr Damien Glanville

Executive Director and Chief Executive Officer

Appointed 11 December 2015

Qualifications

N/A

Experience

Co-founder and Chief Executive Officer

Mr Glanville has fourteen years' experience in senior management, logistics and Executive Director roles, the last seven specifically focused in the renewable energy on-site generation and solar PV industry.

His most recent achievement is the commercialisation of the Valdora 16.5MW solar farm located on the Sunshine Coast, Queensland. The commercial business plan (Exclusive IP) along with the rights to the project were successfully sold to Sunshine Coast Regional Council for \$2.6m. It is the first solar farm project in Australia that is not reliant on government subsidies to make it financially viable and is an industry leading concept within the renewable energy industry. Construction is due to begin in 2016.

DIRECTORS' REPORT

1. THE DIRECTORS (Cont'd)

Damien is a co-founder and architect of designing the electricity retail model that successfully enabled LPE to obtain their Australian Energy Regulator Authorisation, and is also listed as the Chief Executive Officer for the Management components of the Australian Energy Regulators authorisation to retail electricity.

Special responsibilities	Chief Executive Officer
Interest in Shares and Options	186,985,610 fully paid ordinary shares 249,314,146 performance shares
Directorships held in other listed entities	Nil

Mr Ben Chester

Executive Director and Chief Operating Officer

Appointed 11 December 2015

Qualifications	B. Eng
Experience	Co-founder and Chief Operating Officer

Mr Chester has eight years' experience in large scale development and deployment of energy assets, along with energy to market strategy. He spent four years with an ASX listed company specialising in renewable projects, as the principal design and projects engineer for several commercial and utility scale deployments.

Ben has contributed to several Australian, State and Federal Government advisory panels and with the Thailand Government on generation, deployment strategies and network integration.

Ben is a co-founder and architect of designing the electricity retail model that successfully enabled LPE to obtain their Australian Energy Regulator Authorisation, and is listed as the Chief Operating Officer for the functional and compliance components of the Australian Energy Regulators authorisation to retail electricity.

Special responsibilities	Chief Operating Officer
Interest in Shares and Options	186,985,610 fully paid ordinary shares 249,314,146 performance shares
Directorships held in other listed entities	Nil

Mr John Shepherd

Resigned 11 December 2015

Mr Daniel Moore

Resigned 11 December 2015

DIRECTORS' REPORT

1 THE DIRECTORS (Cont'd)

Company Secretary	Appointed 19 May 2016
Mr Charles Furness	
Qualifications	B Bus, CPA, FGIA
Experience	Charles is a Company Secretary and CFO with more than 25 years' experience in senior management positions with Australian public companies in the mining, energy, technology and biotechnology sectors. His international experience includes companies listed on AIM in London and Nasdaq.
Directorships held in other listed entities	Nil

2 PRINCIPAL ACTIVITIES OF THE CONSOLIDATED ENTITY

The principal activity of the consolidated entity is the sale of electricity and utility services to residential, commercial and retail customers throughout the Australian National Electricity Market.

3 OPERATING RESULTS

The net result of operations of the consolidated entity for the year ended 30 June 2016 was a loss of \$8,613,937 (2015 – loss of \$513,361) which included:

- Electricity sales totalling \$1,761,243 (2015: \$59,899),
- the expensing of the issue of options and performance shares to key personnel and convertible note holders totalling \$6,535,990 (2015: nil),
- employee costs of \$1,447,188 (2015: \$165,001), and
- other expenses of \$1,208,981 (2015: \$323,973).

During the year the Company received \$7,510,991 (2015: \$300,443) from the issue of shares, primarily via the successful completion of a capital raising in late 2015.

The Company invested \$1,239,542 during the year (2015: \$120,767) in the development and/or conversion of strata title sites for the purpose of supplying electricity.

4 DIVIDENDS

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend since 30 June 2016 and to the date of this report.

DIRECTORS' REPORT

5 REVIEW OF ACTIVITIES AND BUSINESS STRATEGIES

In December 2015 the Company successfully transitioned from a minerals exploration company to a regulated retailer of electricity to strata title sites, raising approximately \$7.5 million, including \$1.5 million from the exercise of options. This provided the Company with a platform to develop and grow the business. This is reflected in the sharp revenue growth.

The Company is committed to driving sales and continues to invest in the development and conversion of sites to rapidly expand its revenue base. Every new site, once completed, adds to the Company's contracted pipeline, providing a secure source of revenue for five to ten years

At 30 June 2016, 79.9GW were in the contracted pipeline, with 131 strata communities under contract and 62 communities generating revenue. This base has continued to grow significantly since balance date.

6 OUTLOOK

The expansion of the Company's contracted pipeline is providing the Company with a growing source of secure revenue.

Directors acknowledge that additional funding will be required if the Company is to maintain its planned growth rate and they are presently pursuing a number of financing opportunities.

7 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 1st July 2015 the Group entered into an option agreement to purchase 100% of the issued capital of Locality Planning Energy Pty Ltd (LPE Pty Ltd). This transaction has been accounted for as a reverse acquisition of LPE Holdings Ltd (LPEH - formerly Stratum Metals Ltd) by LPE Pty Ltd.

In December 2015 the Company successfully completed the transaction raising approximately \$6 million in the process. The Company received a further \$1.5m following the exercise of options in early 2016

In addition, on 15 December 2015 LPEH Ltd lost control over Menzies Goldfields Limited and Riqo Pty Ltd.

8 EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

9 LIKELY DEVELOPMENTS

Directors expect the Company's strong contracted pipeline and revenue growth to be maintained during the coming year, and

expansion beyond the Queensland market into NSW and the ACT, and

the further deployment of commercial super-fast charging stations for electric vehicles up the SE Queensland corridor, using LPE's embedded electricity network, this will also strengthen LPE's position in the marketplace.

DIRECTORS' REPORT

10 COMPANY HEALTH & SAFETY POLICY

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically all employees are responsible for safety in their work area by:

- following the safety and security directives of management;
- advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- minimising risks in the workplace.

11 SHARES UNDER OPTION

Options outstanding

The following options are outstanding as at the date of this report.

Number	Exercise price \$	Expiry
500,000	0.25	15/4/2018
600,000	0.25	23/1/2017
75,000,000	0.025	30/6/2017
30,000,000	0.025	30/6/2017

Shares issued on the exercise of options

Date	No. of shares	Exercise price
14 January 2016	3,713,542	\$0.02
12 February 2016	7,975,807	\$0.02
29 February 2016	63,845,099	\$0.02

12 DIRECTORS' MEETINGS

Director	Meetings of Directors Held *	Meetings of Directors Attended
Andrew Pierce	9	8
Damien Glanville	7	7
Ben Chester	7	7
John Shepherd	2	2
Daniel Moore	2	2

* at which eligible to attend

DIRECTORS' REPORT

13 REMUNERATION REPORT – AUDITED

Remuneration Practices

The Company has established a Remuneration Committee as a Committee of the Board.

The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- a) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- b) ensuring that the executive remuneration policy demonstrates a clear relationship between senior executive performance and remuneration;
- c) recommending to the Board the remuneration of executive Directors;
- d) fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- e) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- f) reviewing and approving the remuneration of the Chief Executive Officer/Managing Director and, as appropriate other senior executives; and
- g) reviewing and approving any equity based plans and other incentive schemes.

The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

The Company has issued Performance Shares to Key Personnel to strengthen the relationship between senior executive performance, shareholder value and remuneration.

Each Performance share will convert to one fully paid ordinary share upon the satisfaction of of the following milestones:

- One third of the Performance Shares will convert to Fully Paid Ordinary Shares upon having under management (supply and sell under contract) 50 Giga Watts (GW) of annualised energy by June 2017, and
- a further third of the Performance Shares will convert to Fully Paid Ordinary Shares upon contracts having under management (supply and sell under contract) 75 Giga Watts (GW) of annualised energy by December 2017, and
- another third of the Performance Shares will convert Fully Paid Ordinary Shares upon having under management (supply and sell under contract) 100 Giga Watts (GW) of annualised energy contracts by June 2018.

These performance milestones were chosen because sales revenue is they key driver to the future success of the Company.

The milestones were determined after assessing the level of revenue required the Company to meet its financial goals and what could be achieved in the marketplace.

The key management personnel of Locality Planning Energy Holdings Limited and the consolidated entity includes the directors of the Parent Entity.

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

DIRECTORS' REPORT

13 REMUNERATION REPORT – AUDITED

2016 Remuneration

	Short-term employee benefits	Share Based Remuneration	Post Employment Benefits	Total	Performance Related %	% consisting of options
	Salary & fees	Equity Settled Options	Super- annuation			
	\$	\$	\$	\$	%	%
Directors						
Andrew Pierce	55,609	89,000	-	144,609	0%	61.5%
Damien Glanville (appointed 11/12/15)	184,293	1,583,669	16,905	1,784,867	88.73%	0%
Ben Chester (appointed 11/12/15)	185,447	1,583,669	16,905	1,786,021	88.67%	0%
John Shepherd (resigned 11/12/15)	49,735	89,000	-	138,735	0%	64.2%
Daniel Moore (resigned 11/12/15)	13,387	89,000	-	102,387	0%	86.9%
Total	488,471	3,434,338	33,810	3,956,619	80.05%	6.75%

2015 Remuneration

	Short-term employee benefits	Other	Post Employment Benefits	Total	Performance Related %	% consisting of options
	Salary & fees		Super- annuation			
	\$	\$	\$	\$	%	%
Directors						
Andrew Pierce	30,000	-	-	30,000	0%	0%
John Shepherd	30,000	24,814	-	54,814	0%	0%
Daniel Moore	16,694	-	-	16,694	0%	0%
Richard Anthon	13,387	-	-	13,387	0%	0%
Total	90,081	24,814	-	114,895	-	-

Daniel Moore and John Shepherd were directors of the legal parent company, Locality Planning Energy Holdings (formerly Stratum Metals Limited) until the date of acquisition. As the business combination was treated as a reverse acquisition for accounting purposes, the results of the legal parent entity prior to acquisition date are not included in this consolidated financial report. However to ensure comparable directors remuneration disclosures for the legal parent entity, the remuneration paid to Daniel and John (\$102,387 and \$138,735 respectively) by the legal parent entity for the entire year (including the portion of the year prior to acquisition date) is included in this remuneration report.

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

DIRECTORS' REPORT

Shareholdings of key management personnel

	Balance	Issued on	Options	Net change	Balance
	1 July	Acquisition	exercised	other	30 June
Directors	-		-		
Andrew Pierce	4,970,641	-	-	3,990,000	8,960,641
Damien Glanville *	-	186,985,610	-		186,985,610
Ben Chester *	-	186,985,610	-		186,985,610

- Also hold 249,314,146 Performance shares

Option holdings of key management personnel

	Balance	Received as	Options	Net change	Balance
	1 July	Remuneration	exercised	other	30 June
Directors	-		-		
Andrew Pierce	-	10,000,000	-	-	10,000,000
Damien Glanville	-	-	-	-	-
Ben Chester *	-	-	-	-	-

END OF REMUNERATION REPORT

14 NON-AUDIT SERVICES

No amounts were paid or payable to the auditor for non-audit services provided during the year by the auditor.

DIRECTORS' REPORT

15 INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITOR

Each of the Directors and the Secretary of the Company have entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors and Secretary. The Company has insured all of the Directors and Officers of Locality Planning Energy Holdings Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act 2001 does not require disclosure of the information in these circumstances.

The Company has not indemnified or insured its auditor.

16 PROCEEDINGS ON BEHALF OF 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 other such proceedings during the year.

17 AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2016 has been received and forms part of this directors' report and can be found on the following page.

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

Signed:



ANDREW PIERCE
Director

30 September 2016

LOCALITY PLANNING ENERGY HOLDINGS LIMITED

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

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



Bentleys Brisbane (Audit) Pty Ltd



Stewart Douglas
Director
Brisbane
30 September 2016

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange (ASX) and not shown elsewhere in the Annual Report, current as at 29 September 2016, is advised hereunder.

Stock Exchange Quotation

The Company's shares are quoted on the ASX (Home branch: Sydney) under the code "LPE".

Classes of Securities

The Company has the following equity securities on issue:

ASX quoted: 630,507,518 ordinary shares, each fully paid, held by 1,238 shareholders

Unquoted: 726,628,093 ordinary shares

Voting Rights

The voting rights attaching to ordinary shares are set out in Rule 2.1 of the Company's Constitution and are summarised as follows:

- Subject to the Constitution, a holder of ordinary shares in the Company shall be entitled to be present at any meeting, and to vote in respect of ordinary shares held by him. Any member present at any meeting may decline to vote on any question put to that meeting, but in that case shall not be considered absent from the meeting.
- Unless otherwise provided in the Constitution, at any meeting every member present in person or by proxy or by attorney or, in the case of a body corporate, representative appointed pursuant to Section 250D of the Corporations Act shall be entitled:
 - (a) on a show of hands, to one vote; and
 - (b) on a poll, to one vote for each share of which he is the holder.

Holders of options have no voting rights until such options are exercised.

Restricted Securities

726,628,093 ordinary shares

On-market Buy-backs

There is no current on-market buy-back of any securities.

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

SHAREHOLDER INFORMATION

Distribution of Security Holders

Distribution of shares and the number of holders by size of holding are:

Shareholding Range	Ordinary Shares	
	Number of Holders	Number of Shares
1-1,000	19	1,935
1,001-5,000	12	38,359
5,001-10,000	100	959,525
10,001-100,000	426	21,924,085
100,001 and over	681	1,334,211,707
Totals	1,238	1,357,135,611

There are 171 shareholders with less than a marketable parcel of 17,241 shares (based on a closing share price of \$0.029) who together hold 1,743,026 shares.

Twenty Largest Security Holders

The names of the 20 largest shareholders, the number of shares and the percentage of capital each holds, are:

1	BEN JAMES CHESTER <THE CHESTER FAMILY A/C>	186,985,610	13.78
2	DAMIEN IAN GLANVILLE <THE GLANVILLE FAMILY A/C>	186,985,610	13.78
3	PETTETT PTY LTD <PETTETT FAMILY A/C>	186,729,289	13.76
4	JARWILL PTY LTD <JARWILL INVESTMENT A/C>	80,100,073	5.9
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	32,366,666	2.38
6	COOLAH HOLDINGS PTY LTD	14,475,651	1.07
7	MR JOHN HENRY TOLL <TOLL FAMILY DISCRINARY A/C>	11,500,000	0.85
8	KEY GLORY INVESTMENTS PTY LTD <KGI A/C>	10,900,000	0.8
9	BARK (NSW) PTY LTD <BARK A/C>	10,682,796	0.79
10	MR REX SEAGER HARBOUR	10,000,000	0.74
11	LSAF HOLDINGS PTY LTD <OWEN FAMILY A/C>	10,000,000	0.74
12	MONOMATAPA COAL LTD	9,788,151	0.72
13	CHIFLEY PORTFOLIOS PTY LTD	9,169,354	0.68
14	BEDAR HOLDINGS PTY LIMITED <THE ANDREW R PIERCE S/F A/C>	8,960,641	0.66
15	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	8,484,988	0.63
16	EMS ARCADIA PTY LTD <CB FILMS SUPERFUND NO2 A/C>	8,400,091	0.62
17	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	8,264,767	0.61
18	WOODVILLE SUPER PTY LIMITED <WOODVILLE AVE SUPER FUND	7,800,000	0.57
19	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F	7,500,000	0.55
20	MR JOHN CHARLES VASSALLO + MR SEAN JAMES VASSALLO	7,066,666	0.52
		816,160,353	60.14
	Total Remaining Holders Balance	540,975,258	39.86

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

SHAREHOLDER INFORMATION

Substantial Shareholders

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

:

THE CHESTER FAMILY A/C	186,985,610
THE GLANVILLE FAMILY A/C	186,985,610
THE PETTETT FAMILY A/C	186,729,289
JARWILL PTY LTD	80,100,073

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
		\$	\$
Revenue			
Electricity sales	6	1,761,243	59,899
Less cost of goods sold			
Retail usage		(562,022)	(22,771)
Network charges		(689,791)	(45,535)
Other COGS		(176,749)	(5,980)
Total cost of goods sold		(1,428,562)	(74,286)
Gain/(loss) from trading		332,681	(14,387)
Other income			
Interest received	6	33,216	-
Other receipts	6	105,482	-
Proceeds on sale of subsidiaries	6	110,109	-
Gain/(loss) on disposal of other assets		(734)	(10,000)
Subsidiary loans write off		(117,700)	-
Other expenses			
Employee costs		(1,447,188)	(165,001)
Professional costs		(651,579)	(205,028)
Share-based payments	14	(6,535,990)	-
Depreciation and amortisation		(127,732)	(15,992)
Borrowing costs		(79,495)	(22,848)
Other expenses		(350,175)	(80,105)
Loss from continued operation		(8,729,105)	(513,361)
Loss before income taxes		(8,729,105)	(513,361)
Income tax benefit/(expense)	7	115,168	-
Net loss for the period		(8,613,937)	(513,361)
Other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year		(8,613,937)	(513,361)
Basic/diluted earnings/(loss) per share (dollars per share)	16	(0.0102)	(3.0587)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	21	2,631,507	16,844
Trade and other receivables	8	994,141	42,323
Other current assets	9	27,646	15,221
Total current assets		3,653,294	74,388
Non-current assets			
Plant and equipment	10	414,896	50,445
Intangibles	11	1,280,690	110,834
Total non-current assets		1,695,586	161,279
TOTAL ASSETS		5,348,880	235,667
Current liabilities			
Trade and other payables		707,820	149,186
Employee entitlements – annual leave		85,200	25,994
Borrowings	12	55,948	212,861
Total current liabilities		848,968	388,041
Non-current liabilities			
Borrowings	12	222,213	293,134
Total non-current liabilities		222,213	293,134
TOTAL LIABILITIES		1,071,181	681,175
Net assets		4,277,699	(445,508)
Equity			
Issued capital	13	14,584,862	301,643
Reserves	15	6,535,990	-
Accumulated losses		(16,843,153)	(747,151)
Total equity		4,277,699	(445,508)

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Issued capital \$	Options reserve \$	Accumulated losses \$	Totals \$
Balance at 1 July 2014	1,200	-	(233,790)	(232,590)
Profit /(Loss) after income tax	-	-	(513,361)	(513,361)
Other comprehensive income	-	-	-	-
Shares issued during the year	300,443	-	-	300,443
Balance at 30 June 2015	301,643	-	(747,151)	(445,508)
Balance at 1 July 2015	301,643	-	(747,151)	(445,508)
Reverse acquisition of SXT	5,527,685	-	(7,482,065)	(1,954,380)
Profit /(Loss) after income tax	-	-	(8,613,937)	(8,613,937)
Share based payments	-	6,535,990	-	6,535,990
Other comprehensive income	-	-	-	-
Shares issued during the year	8,755,534	-	-	8,755,534
Balance at 30 June 2016	14,584,862	6,535,990	(16,843,153)	4,277,699

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements

LOCALITY PLANNING ENERGY HOLDINGS LIMITED
ABN 90 147 867 301

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		1,277,912	65,889
Payments to suppliers and employees		(3,521,937)	(409,358)
Interest received		33,216	-
Interest paid		(65,495)	(22,847)
Net cash provided by/ (used in) operating activities	21	(2,276,304)	(366,316)
Cash flows from investing activities			
Payment for plant and equipment		(419,702)	(55,055)
Payment for intangibles		(1,239,542)	(120,767)
Cash acquired in a business combination		(843,055)	-
Proceeds from sale of business		110,109	-
Net cash provided by/ (used in) investing activities		(2,392,190)	(175,822)
Cash flows from financing activities			
Proceeds from issues of shares		7,510,991	300,443
Proceeds from loans		128,590	249,029
Repayment of loans		(356,424)	-
Net cash provided by/ (used in) financing activities		7,283,157	549,472
Net increase/(decrease) in cash and cash equivalents		2,614,663	7,334
Cash and cash equivalents opening balance		16,844	9,510
Cash and cash equivalents closing balance	21	2,631,507	16,844

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements

1 REPORTING ENTITY

The financial statements of Locality Planning Energy Holdings Limited (“the Company”) for the year ended 30 June 2016 covers the Consolidated Entity consisting of Locality Planning Energy Holdings Limited and the entities it controlled from time to time throughout the year (“the Group” or “Consolidated Entity”) as required by the Corporations Act 2001. Locality Planning Energy Holdings Limited is a for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars, which is the functional currency.

The address of the Group’s registered office and principal place of business is Suite 18, 13 Norval Court, Maroochydore, QLD, 4558.

2 BASIS OF PREPARATION

A. Statement of compliance

The Financial Report has been prepared in accordance with requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This report is to be read in conjunction any other public announcements made by the Group during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Compliance with Australian accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The accounting policies adopted are consistent with those of the previous financial year, unless stated otherwise.

B. Basis of measurement

The financial statements have been prepared on the historical cost basis, modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

C. Use of estimates and judgements

The preparation of financial statements in conformity with AASB’s requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are outlined below:

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may lead to impairment of other assets and financial assets. This assessment includes the recoverable amount of the intangible assets, which comprise the cost of securing a contract to supply electricity to a strata title property, plus the cost of establishing the metering infrastructure at that site. These costs are amortised over the life of the contract, which is generally 5 or 10 years. The security provided by these contracts and the fact that many more customers have been locked in since balance date greatly reduces the level of uncertainty to future cash flows. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations are performed or market based information is obtained in assessing recoverable amounts that incorporate a number of key estimates.

2 BASIS OF PREPARATION (Cont'd)

D. Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Group has incurred a net loss after tax for the year ended 30 June 2016 of \$8,613,937 and a net cash outflow from operations of \$2,276,304. At 30 June 2016, the Group's current assets exceeded its current liabilities by \$2,804,326.

The Company has prepared budgets based on its current growth plans and is examining funding opportunities to fund this growth. These include debtor financing and long term funding.

The ability of the consolidated entity to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to source sufficient funding from borrowings and the exercise of options and to achieve its growth targets. Should the consolidated entity not be able to raise capital when required, there exists a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied by all entities in the Group.

A. Basis of consolidation

The consolidated financial statements comprise the financial statements of Locality Planning Energy Holdings Limited and its subsidiaries for the year ended 30 June 2016 ("the group"). Subsidiaries are entities (including structured entities) over which the group has control. The group has control over an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

B. Income tax

The charge for current income tax expense is based on the profit/loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Current and deferred tax is recognised in the profit or loss, except where it relates to items recognised in the other comprehensive income or directly in equity. In this case the tax is recognised in the other comprehensive income or directly in equity respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or tax losses can be utilised. To the extent that any rebates are received from Government taxation authorities, they are recognised in profit or loss as an income tax benefit.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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 consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

All assets are depreciated on either a straight line basis or diminishing value basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate & Method
Plant and equipment	10-50% per annum, straight line or diminishing value
Motor Vehicles	25% per annum, diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Financial Instruments

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

These financial assets consist of trade and other receivables, which are measured at cost less any accumulated impairment losses. There is no significant concentration of credit risk.

Convertible Notes and Loans

At the beginning of the year the Company had on issue 1,350,000 Convertible Notes (the Notes) convertible into ordinary shares and \$150,000 in Stage 1 unsecured loans convertible by agreement (Loans).

These Notes were assigned to new holders during the prior year and the assignment included varying some of the key terms and conditions of the Notes (subject to shareholder approval), including:

- The face value of the Notes has been reduced (from \$1.00) to \$0.50, resulting in a reduction of the liability from \$1.35m to \$675,000.

This was approved by shareholders at the General Meeting held on 2 November 2015 and the reduction in liability has been recognised in this financial report.

- Automatic conversion of the Notes upon the earlier of settlement of the LPE acquisition, or 31 December 2015. This took place in December 2015.
- Note conversion = one share plus one option for every two shares issued. Shares were converted at 80% of the price of the capital raising conducted concurrently with the LPE acquisition. Options were exercisable at \$0.02 and expiring on or before 29 February 2016. This took place in December 2015 and the options were exercised in February 2016.
- Interest calculated at 1.0% per month and paid in shares with a deemed price of \$0.01 per share.
- \$250,000 in Loans were issued during the prior year and were convertible into ordinary shares at \$0.006, with one free attaching option exercisable at \$0.02 on or before 29 February 2016 for every share issued. \$100,000 of loans were converted during the prior year and the attached options were exercised in February 2016.

Financial Assets at fair value through profit or loss

Financial assets are valued at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Group are stated at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity, except where losses are considered to be prolonged and extensive, in which case such losses are recognised in profit or loss.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges. At present, the Group does not have any derivative instruments.

Fair Value

Fair value is determined based on current bid prices for all quoted investments.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

E. Intangible assets

Intangible assets include the cost of securing a contract to supply electricity to a strata title property, plus the cost of establishing the metering infrastructure at that site. These costs are then amortised over the life of the contract, which is generally 5 or 10 years.

F. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

G. Employee entitlements

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date.

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. Long-term employee benefits are only recognised to the extent that it is considered probable that employees will reach the eligible service period.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Impairment of Financial Assets

At each reporting date, the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of loans and receivables, the Consolidated entity first assesses whether objective evidence of impairment exists for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Consolidated entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Consolidated entity of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. In the case of available for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Losses are recognised in the profit or loss.

I. Impairment of Non-Financial Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the profit or loss.

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

J. Share-based payments

The Consolidated Entity may make share-based payments to directors and employees. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a valuation which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instrument that eventually vest.

K. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

L. Revenue

Revenue is measured at the fair value of the consideration received or receivable, less any trade or volume discounts. Interest revenue is recognised using the effective interest rates applicable to the financial assets. Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods. Revenue from rendering of services is measured by reference to the stage of completion of the service provided.

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

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of 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.

N. Issued Capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from equity.

O. Earnings per share

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

P. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the consolidated entity are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated over the shorter of the asset's useful life and the lease term. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the profit or loss on a straight line basis over the period of the lease.

Q. New Accounting Standards issued but not yet applicable

No new or revised Australian Accounting Standards that have been issued but not yet applicable have been applied in the preparation of these financial statements. The Board has not yet conducted a detailed formal analysis of these new accounting standards. Preliminary analysis of the most significant new standards is as follows:

AASB 16 Leases

This standard removes the distinction between operating and finance leases, effectively requiring all leases to be recognised on the Statement of Financial Position. The entity has minimal operating leases that will have to be brought to account as assets under the new standard.

AASB 15 Revenue from Contracts with Customers

This standard substantially changes the recognition criteria for revenue. Whereas previous revenue was recognised based on the transfer of legal title or the percentage completion of services, it will now be recognised upon completion of certain identified "performance obligations." At this stage, the Board believes that performance obligations in its contracts with customers will not substantially differ from the percentage completion method currently used.

AASB 9 Financial Instruments

The standard makes numerous changes to naming conventions and classification of financial instrument. There are also changes to rules in respect of hedge accounting. As the entity only has simple financial instruments such as cash, receivables and payables, and does not engage in hedging activities, the impact of this standard is expected to be minimal.

4 SEGMENT REPORTING

The Group has identified its operating segments as being the energy retail sector in Australia. Management currently identifies the energy retail sector as being the Group's sole operating segment,

There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

5 BUSINESS COMBINATION

Locality Planning Energy Pty Ltd

On 1st July 2015 the Group entered into an option agreement to purchase 100% of the issued capital of Locality Planning Energy Pty Ltd (LPE Pty Ltd).

In accordance with AASB 3 'Business Combinations' the transaction has been accounted for as a reverse acquisition of LPE Holdings Ltd (LPEH - formerly Stratum Metals Ltd) by LPE Pty Ltd, who was deemed to be the 'acquirer' for accounting purposes. The factors considered included the relative voting rights after the business combinations, Board and management composition of the consolidated group and other factors, such as operational objectives.

LPE Ltd has been consolidated into the group from the date of control which was 11 December 2015.

	Accounting acquiree's carrying amount	Fair value
	\$	\$
Fair value consideration transferred		
Market capital		5,527,685
Less:		
Cash	356,828	356,828
Receivables	163,085	163,085
Other assets	12,593	12,593
Plant and equipment	1,354	1,354
Bank overdraft	(1,200,000)	(1,200,000)
Payables	(63,239)	(63,239)
Borrowings	(1,225,000)	(1,225,000)
Identifiable assets and liabilities assumed	(1,954,379)	(1,954,379)
<i>Purchase consideration of LPEH</i>		
251,258,414 shares at 2.2 cents each		5,527,685
Excess consideration paid over net assets		7,482,064

Since acquisition date the acquiree (LPEH) has contributed revenue of \$143,003 and a loss of \$6,575,392 to the consolidated group. Had the acquisition occurred at the beginning of the financial year, the contribution of revenue and net loss would have been \$818,003 and \$6,723,823 respectively.

	Consolidated Entity 2016	Consolidated Entity 2015
	\$	\$
6 REVENUE AND OTHER INCOME		
Electricity sales	1,761,243	59,899
Proceeds on sale of subsidiaries	110,109	-
Other receipts	105,482	-
Interest revenue	33,216	-
Total revenue and other income	2,010,050	59,899

	Consolidated Entity 2016 \$	Consolidated Entity 2015 \$
7 INCOME TAX		
Components of tax expense/(benefit) comprise:		
Current tax	-	-
Prior year tax	(115,168)	-
Deferred tax	-	-
Income Tax Expense/(Benefit)	<u>(115,168)</u>	<u>-</u>
<i>Numerical reconciliation of income tax benefit to prima facie tax payable</i>		
Loss from operations before tax for the year	(8,729,105)	(513,361)
The prima facie income tax benefit on loss before income tax at a tax rate of 30% (2015: 30%)	(2,618,732)	(154,008)
Tax effect amounts which are not (deductible)/taxable in calculating taxable income:		
R & D tax offset	1,964,023	1,262
Deferred tax asset not recognised on current year loss	(115,168)	-
Total income tax benefit	<u>654,709</u>	<u>152,746</u>
	<u>115,168</u>	<u>-</u>
<i>Net unrecognised deferred tax assets</i>		
Net Deductible temporary differences	50,440	12,471
Unused tax losses	453,270	207,719
Net unrecognised deferred tax asset	<u>503,710</u>	<u>220,190</u>

The above potential tax benefit of \$453,270 for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The above potential tax benefit, which excludes tax losses, for deductible temporary differences of \$50,440 has not been recognised in the statement of financial position as the recovery of this benefit is uncertain. The consolidated entity has no franking credits.

	Consolidated Entity 2016 \$	Consolidated Entity 2015 \$
8 TRADE & OTHER RECEIVABLES		
Trade receivables	730,081	23,969
R & D rebate receivable	115,168	-
Other receivables	59,292	-
GST receivable	89,600	18,354
	<u>994,141</u>	<u>42,323</u>

\$50,737 of trade receivables are past due (2015: nil) because of metering issues and nil were impaired (2015: nil). No collateral is held (2015: nil).

9 OTHER CURRENT ASSETS

Bond paid	3,896	3,046
Prepaid expenses	-	2,175
Prepayments	23,750	10,000
	<u>27,646</u>	<u>15,221</u>

10 PLANT & EQUIPMENT

Plant & equipment at cost	147,000	58,679
Accumulated depreciation	<u>(34,175)</u>	<u>(8,234)</u>
	<u>112,825</u>	<u>50,445</u>
Motor vehicles at cost	330,091	-
Accumulated depreciation	<u>(28,020)</u>	<u>-</u>
	<u>302,071</u>	<u>-</u>
	<u>414,896</u>	<u>50,445</u>

Reconciliation

Reconciliations of the carrying amount of each class of plant and equipment between the beginning and the end of the financial year

Plant of equipment

Balance at the beginning of the year	50,445	3,629
Additions	89,615	55,050
Depreciation	(26,951)	(8,234)
Write off plant and equipment	(284)	-
Balance at the end of the year	<u>112,825</u>	<u>50,445</u>

Motor Vehicles

Balance at the beginning of the year	-	-
Additions	330,091	-
Depreciation	(28,020)	-
Balance at the end of the year	<u>302,071</u>	<u>-</u>

	Consolidated Entity 2016 \$	Consolidated Entity 2015 \$
11 INTANGIBLES		
Intangibles at cost – site conversion costs	1,358,059	120,767
Accumulated amortisation	(77,369)	(9,933)
	1,280,690	110,834
Reconciliation		
Balance at the beginning of the year	110,834	-
Additions	1,243,071	120,767
Amortisation	(72,761)	(9,933)
Write off intangibles	(454)	
Balance at the end of the year	1,280,690	110,834
12 BORROWINGS		
<i>Current</i>		
Site conversion loans	37,753	212,861
Owing to related parties	18,195	-
	55,948	212,861
<i>Non-current</i>		
Site conversion loans	154,506	225,000
Owing to related parties	67,707	68,134
	222,213	293,134

13 ISSUED CAPITAL

On 11 December 2015 the Company acquired all of the issued shares of LPE Pty Ltd resulting in LPE Pty Ltd becoming a wholly-owned subsidiary of the Company. Pursuant to AASB3: *Business Combinations* and as described in Note 5, this transaction represents a reverse acquisition, ie, LPE Pty Ltd is identified as the acquirer for accounting purposes. The consolidated financial statements represent a continuance of LPE Pty Ltd, but the number of shares on issue reflect those of the Company.

(a) Issued and paid up capital

	2016 Number	2015 Number
Ordinary shares fully paid no par value	1,357,135,611	2,800

(b) Movement in ordinary shares on issue

	Number	\$
Balance at 1 July 2014	1,200	1,200
Issued for repayment of loans and cash	1,600	300,443
Balance at 30 June 2015	2,800	301,643
Reverse acquisition of Stratum Metals Ltd	892,056,195	5,527,685
Issued subsequent to reverse acquisition	465,076,616	8,755,534
Balance at 30 June 2016	1,357,135,611	14,584,862

13 ISSUED CAPITAL (Cont'd)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back

There is no current on-market share buy-back.

(c) Share options

At the end of the period, the following options over unissued shares were outstanding:

Number	Exercise price \$	Expiry
500,000	0.25	15/4/2018
600,000	0.25	23/1/2017
75,000,000	0.025	30/6/2017
30,000,000	0.025	30/6/2017

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In common with many other newly listed companies, the parent raises finance for the consolidated entity's working capital and asset development activities. The consolidated entity's overall strategy remains unchanged from 2015.

The consolidated entity is not subject to externally imposed capital requirements.

14 SHARE-BASED PAYMENTS

During the year ended 30 June 2016, as part of the reverse acquisition and merger, the Company issued options to key personnel and convertible note holders. Details of the terms and conditions of the issue of options can be found in the Notice of Meeting announcement on 29 September 2015.

Grant date	Number of Instruments	Exercise Price \$	Expiry date	Fair value expensed during the period \$
1/9/2015	2,200,000	0.020	29/2/2016	- *
2/11/2015	75,000,000	0.025	30/6/2017	667,500
2/11/2015	30,000,000	0.025	30/6/2017	267,000
11/12/2015	21,093,750	0.02	29/2/16	78,047
11/12/2015	26,000,968	0.02	29/2/16	96,204
11/12/2015	854,400,776	n/a	n/a	5,427,239
				<u>6,535,990</u>

* Excludes \$12,320 from expense as it was incurred by Stratum Metals Ltd before the acquisition.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the binomial pricing model. The contractual life of the option is used as an input into this model.

	Convertible note options issued on 1/9/2015	Consultant and director options issued on 11/12/2015	Loan conversion options issued on 11/12/2015
Fair value at measurement date	\$0.0056	\$0.00089	\$0.0037
Share price on grant date	\$0.02	\$0.02	\$0.02
Exercise price	\$0.02	\$0.025	\$0.02
Expected volatility <i>(expressed as weighted average volatility used in the modelling under the binomial option- pricing model)</i>	100%	100%	100%
Option life <i>(expressed as weighted average life used in the modelling under the binomial option-pricing model)</i>	6 months	1.5 years	3 months
Expected dividends	-	-	-
Risk-free interest rate <i>(based on national government bonds)</i>	2.75%	6.25%	2.75%

15 RESERVES

	Consolidated Entity 2016 \$	Consolidated Entity 2015 \$
Options reserve		
Opening balance	-	-
Options issued	6,535,990	-
Closing balance	<u>6,535,990</u>	<u>-</u>

The option reserve account is to account for share based payments

16 EARNINGS PER SHARE

	2016 (Number)	2015 (Number)
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	845,775,323	167,836
	\$	\$
Net loss after tax used in calculating basic earnings per share	<u>(8,613,937)</u>	<u>(513,361)</u>
Net loss after tax used in calculating diluted earnings per share	<u>(8,613,937)</u>	<u>(513,361)</u>

17 CONTROLLED ENTITIES

Investments in controlled entities

	Country of incorporation	% ownership 2016	% ownership 2015	Class of shares
Locality Planning Energy Pty Limited	Australia	100%	0%	Ord
Menzies Goldfield Limited *	Australia	0%	100%	Ord
Riqo Pty Ltd *	Australia	0%	80%	Ord

*Sold 15 December 2015

18 LEASE COMMITMENTS

	Consolidated Entity 2016 \$	Consolidated Entity 2015 \$
<i>Total operating lease commitments</i>		
Within 1 year	95,493	-
1 to 5 years	523,320	-
Total	<u>618,813</u>	<u>-</u>
<i>Total finance lease payments</i>		
Within 1 year	58,933	21,889
1 to 5 years	186,300	85,731
Total	<u>245,233</u>	<u>107,620</u>
Less: Future interest charges	(52,974)	(26,625)
Total	<u>192,259</u>	<u>80,995</u>
<i>Reconciliation to lease liabilities</i>		
Current - Note 12	37,942	12,861
Non-current – Note 12	154,317	68,134
Total	<u>192,259</u>	<u>80,995</u>

19 CONTINGENT LIABILITIES AND ASSETS

The Directors are not aware of any contingent liabilities or contingent assets that are likely to have a material effect on the results of the Group as disclosed in these financial statements.

	Consolidated entity 2016 \$	Consolidated entity 2015 \$
20 RELATED PARTIES		
Key management personnel compensation		
Short term employee benefits	488,471	-
Post-employment benefits	33,810	-
Share based payments	3,434,338	-
	<u>3,956,619</u>	<u>-</u>
Short term advances		
Ben Chester	-	125,000
Damien Glanville	-	100,000
	<u>-</u>	<u>225,000</u>

21 CASH FLOW INFORMATION

	Consolidated Entity 2016 \$	Consolidated Entity 2015 \$
<i>Reconciliation of cash flow from operations with profit / (loss) after tax</i>		
Profit / (loss) after tax	(8,613,937)	(513,361)
Non-cash flows:		
Depreciation and amortisation	127,732	15,992
Loss on sale	734	-
Loss on sale of subsidiaries	7,591	-
Share-based payments	6,535,990	-
Interest expense settled in shares	19,543	-
	<u>(1,922,347)</u>	<u>(497,369)</u>
Changes in operating assets and liabilities		
Increase in receivables	(959,372)	(34,175)
Decrease/(increase) in other assets	(12,425)	-
(Decrease)/increase in creditors and payables	558,634	146,056
Increase in employee entitlements	59,206	19,172
	<u>59,206</u>	<u>19,172</u>
Net cash used in operating activities	<u>(2,276,304)</u>	<u>(366,316)</u>
<i>Cash and Cash equivalents in the Statement of Cash Flows include:</i>		
Cash on hand	1,517	1,200
Cash at Bank	174,990	15,644
Cash on Deposit	2,455,000	-
	<u>2,631,507</u>	<u>16,844</u>

22 FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in Note 3 to the financial statements.

Financial risk management objectives

The financial risks of the consolidated entity include price risk, credit risk and liquidity risk. The consolidated entity does not hedge these risk exposures. The Consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Price risk is the risk of changes to market prices in the supply of electricity. This risk applies to both the price at which the Company sells electricity to its customers and the price it pays for that electricity. The Company manages this risk by signing up customers to long-term contracts where possible.

The Consolidated Entity's activities are also exposed to the financial risks of changes in interest rates on its borrowings and cash and cash equivalents. It is the policy of the Consolidated Entity to manage their risks by continuously monitoring interest rates.

(i) Interest risk management

Interest rate risks are caused by fluctuations in interest rates which, in turn, are due to market factors.

Interest rate sensitivity

The Consolidated Entity's main interest rate risk arises from cash and cash equivalents. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the consolidated entity's profit/loss before taxes through the impact on cash and cash equivalents and held to maturity investments with a decrease or an increase of 0.25% in interest rates.

	Consolidated Entity 2016	Consolidated Entity 2015
	\$	\$
Sensitivity		
Cash and cash equivalents and other financial assets	2,631,507	16,844
Borrowings	(278,161)	(505,995)
	<u>2,353,346</u>	<u>(489,151)</u>
Effect on profit or loss before taxes		
Increase 0.25%	5,883	(1,222)
Decrease 0.25%	(5,883)	1,222

22 FINANCIAL INSTRUMENTS (Cont'd)

Liquidity risk management

Liquidity risks are caused by the inability to raise the money needed to meet payment of liabilities as and when they fall due. The Consolidated Entity manages liquidity risk by maintaining of reserves and by continually monitoring forecast and actual cash flows and cash balances. The Company is actively pursuing financing possibilities to fund its future growth plans.

At 30 June 2016 current assets exceeded current liabilities by \$2,804,326 (2015: current liabilities exceeded current assets by \$313,653). Financial liabilities comprised trade payables, accruals and loans. All trade payables and accruals have a contractual maturity of 6 months or less.

Credit risk management

In relation to financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under a contract or arrangements. Credit risk for the Consolidated Entity arises from cash and cash equivalents and outstanding receivables. The Consolidated Entity partially reduces credit risk by the use of direct debit facilities with its customers. In addition, the Company has the right to withhold the supply of electricity to secure payment. All cash & cash equivalents are held with Australian regulated banks. The maximum exposure to credit risk is the carrying amount of the financial assets recognised in the statement of financial position.

Fair values

The carrying amounts of all financial assets and liabilities primarily comprising cash and cash equivalents, trade and other receivables, trade and other payables and loans are stated at their fair value.

	Consolidated Entity 2016 \$	Consolidated Entity 2015 \$
23 AUDITORS REMUNERATION		
Amounts paid/payable for audit or review of the financial statements	45,000	14,716
Amounts paid/payable for tax and other services	-	-
	45,000	14,716

24 SUBSEQUENT EVENTS

There have been no other matters or circumstances that have arisen since the end of the year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the Consolidated Entity in future financial years.

25 PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the legal parent entity LPE Holdings Limited. Accordingly, the information below does not relate to the "Parent Entity" as defined in Note 5.

	2016	2015
	\$	\$
Result of parent entity		
Profit/loss for the year	(6,866,765)	(9,816,894)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income before tax	(6,866,765)	(9,816,894)
Income tax benefit	115,168	-
Total comprehensive income before tax	(6,751,597)	(9,816,894)
Financial position of parent entity at year end		
Current Assets	6,624,421	50,505
Total assets	6,624,421	51,859
Current Liabilities	38,874	2,020,923
Total liabilities	38,874	2,020,923
Net Assets	6,585,547	(1,969,064)
Total equity of the parent entity comprising :		
Issued capital	14,584,862	11,640,708
Reserves	6,535,990	961,862
Convertible note	-	168,400
Accumulated losses	(14,535,305)	(14,740,034)
Total equity	6,585,547	(1,969,064)

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including :-
 - (a) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position as at 30 June 2016 and performance for the year ended on that date of the consolidated entity,
2. The financial statements also comply with International Financial Reporting Standards as disclosed in note 2.
3. The Remuneration Report as set out in the Directors' Report complies with Section 300A of The Corporations Act 2001.
4. The Chief Executive Officer and Chief Financial Officer have declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Australian Accounting Standards (including Australian Accounting Interpretations); and
 - (c) the financial statements and notes for the financial year give a true and fair view.
5. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



ANDREW PIERCE
Director

Dated this 30th day of September 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED**

We have audited the accompanying consolidated financial report of Locality Planning Energy Holdings Limited ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Group are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies' and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard *AASB 101: Presentation of Financial Statements*, that compliance with Australian equivalent to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Locality Planning Energy Holdings Limited 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 2016 and of its performance and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the Group's continuation is dependent on its ability to source sufficient funding from borrowings and achieving its growth targets. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt of the ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2016. The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

Auditor's Opinion

In our opinion, the Remuneration Report for Locality Planning Energy Holdings Limited for the year ended 30 June 2016, complied with section 300A of the *Corporations Act 2001*.



Bentleys Brisbane (Audit) Pty Ltd



Stewart Douglas
Director
Brisbane

30 September 2016