

# **Annual Financial Report**

GenusPlus Group Pty Ltd and controlled entities  
For the year ended 30 June 2019

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# Directors' Report

Your Directors present their report on GenusPlus Group Pty Ltd (the Group or GenusPlus Group Pty Ltd) for the financial year ended 30 June 2019.

## Directors

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

- Mr David Riches
- Mr Simon High
- Mr Paul Gavazzi
- Mr Jose Martins

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

## Review of operations and financial results

A review of the operations of the Group during the financial year and the results of those operations saw an increase in sales from \$11,860,875 to \$99,225,190. The profit of the Group for the financial year after providing for income tax amounted to \$6,012,740 (2018:\$490,754). The increases reflect the first full year of trade as a consolidated group. The 2018 comparatives for the year ended 30 June 2018 consists of the trading result from inception of the parent entity on 6 July 2017 and of the newly formed consolidated group from 1 June 2018 to 30 June 2018.

## Significant changes in state of affairs

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

## Principal activities

The principal activities of the Group during the financial year were the installation, construction and maintenance of power and communication systems.

There have been no significant changes in the nature of these activities during the 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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Future development, prospects and business strategies

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 Group'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 paid or recommended

There were no dividends paid or declared since the start of the financial year.

## Options

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

## Indemnities given to, and insurance premiums paid for, auditors and officers

### Insurance of officers

During the year, GenusPlus Group Pty Ltd paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

### Indemnity of auditors

The Group has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

## Proceedings on behalf of Group

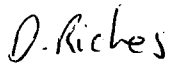
No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group 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 4 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



David Riches  
Director

10 September 2019



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## Auditor's Independence Declaration

To the Directors of GenusPlus Group Pty Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of GenusPlus Group Pty Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

L A Stella  
Partner – Audit & Assurance

Perth, 10 September 2019

ACN-130 913 594

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue	2	99,166,632	11,854,204
Finance income	2	58,558	6,671
Other income	3	732,207	14,543
Employee expenses		(42,043,363)	(4,463,674)
Raw materials and consumables used		(23,258,398)	(2,704,546)
Contractors and labour hire expenses		(12,351,623)	(1,370,752)
Motor vehicle expenses		(5,064,368)	(641,486)
Depreciation and amortisation		(2,973,766)	(101,809)
Finance costs		(707,321)	(41,020)
General and administrative expenses		(4,782,049)	(1,688,919)
Profit before income tax		8,776,509	863,212
Income tax expense	5	(2,763,769)	(372,458)
Profit for the year		6,012,740	490,754
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		6,012,740	490,754

This statement should be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	7	7,991,601	9,632,052
Trade and other receivables	8	23,659,655	19,350,540
Inventories	9	918,974	671,342
Other current assets	10	1,155,980	1,263,355
<b>Total current assets</b>		<b>33,726,210</b>	<b>30,917,289</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	13,165,926	11,707,278
Deferred tax assets	15	782,856	1,099,429
Intangible assets	12	1,746,479	305,395
<b>Total non-current assets</b>		<b>15,695,261</b>	<b>13,112,102</b>
<b>Total assets</b>		<b>49,421,471</b>	<b>44,029,391</b>
<b>Current liabilities</b>			
Trade and other payables	13	14,043,313	14,612,592
Financial liabilities	14	2,096,458	1,451,121
Current tax liabilities	15	526,248	367,153
Employee benefits	16	1,677,190	1,190,969
Provisions	17	440,000	-
<b>Total current liabilities</b>		<b>18,783,209</b>	<b>17,621,835</b>
<b>Non-current liabilities</b>			
Financial liabilities	13	3,893,498	6,063,432
Deferred tax liabilities	15	1,371,598	1,131,185
Employee benefits	16	275,079	373,088
Provisions	17	260,000	-
<b>Other non-current liabilities</b>		<b>45,732</b>	<b>60,236</b>
<b>Total non-current liabilities</b>		<b>5,845,907</b>	<b>7,627,941</b>
<b>Total liabilities</b>		<b>24,629,116</b>	<b>25,249,776</b>
<b>Net assets</b>		<b>24,792,355</b>	<b>18,779,615</b>
<b>Equity</b>			
Contributed equity	18	18,800,695	18,800,695
Reserves	19	(511,834)	(511,834)
Retained earnings		6,503,494	490,754
<b>Total equity</b>		<b>24,792,355</b>	<b>18,779,615</b>

This statement should be read in conjunction with the notes to the financial statements.



# Consolidated Statement of Changes in Equity

For year ended 30 June 2019

	Notes	Share capital \$	Retained earnings \$	Reserves \$	Total \$
Balance at 1 July 2017		-	-	-	-
Profit for the year		-	490,754	-	490,754
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	490,754	-	490,754
<i>Transactions with owners in their capacity as owners:</i>					
• contributions of equity	18	18,800,695	-		18,800,695
• acquisition reserve	19	-	-	(511,834)	(511,834)
<b>Sub-total</b>		18,800,695	-	(511,834)	18,288,861
<b>Balance at 30 June 2018</b>		18,800,695	490,754	(511,834)	18,779,615
Profit for the year		-	6,012,740	-	6,129,712
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	6,012,740	-	6,129,712
<b>Sub-total</b>		-	6,012,740	-	6,129,712
<b>Balance at 30 June 2019</b>		18,800,695	6,503,494	(511,834)	24,792,355

This statement should be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Cash Flows

For year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		105,655,928	11,272,969
Payments to suppliers and employees		(98,539,087)	(9,011,994)
Interest received		58,558	-
Finance costs		(707,320)	(41,020)
Income tax paid		(2,107,426)	(597,672)
<b>Net cash provided by operating activities</b>	22	<b>4,360,653</b>	<b>1,622,283</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		589,404	98,779
Purchase of property, plant and equipment		(3,544,447)	-
Cash & Cash Equivalents acquired		177,930	8,068,856
Purchase of investments		(1,558,694)	-
<b>Net cash (used in) / from investing activities</b>		<b>(4,335,807)</b>	<b>8,167,635</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(1,665,297)	(157,866)
Dividends paid		-	-
<b>Net cash used in financing activities</b>		<b>(1,665,297)</b>	<b>(157,866)</b>
<b>Net change in cash and cash equivalents held</b>		<b>(1,640,451)</b>	<b>9,632,052</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>9,632,052</b>	<b>-</b>
<b>Cash and cash equivalents at end of financial year</b>	7	<b>7,991,601</b>	<b>9,632,052</b>

This statement should be read in conjunction with the notes to the financial statements.

# Notes to the Consolidated Financial Statements

## 1 Statement of significant accounting policies

The Directors' have prepared the financial statements on the basis that the Group 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*.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

GenusPlus Group Pty Ltd is a group limited by shares, incorporated and domiciled in Australia. GenusPlus Group Pty Ltd is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

### 1.1 Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

### 1.2 New and amended standards adopted by the Group

The Group adopted AASB 15 and AASB 9 as of 1 January 2018.

AASB 15 'Revenue from Contracts with Customers' and the related 'Clarifications to AASB 15 Revenue from Contracts with Customers' (hereinafter referred to as 'AASB 15') replace AASB 118 'Revenue', AASB 111 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively without restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 July 2018. In accordance with the transition guidance, IFRS 15 has only been applied to contracts that are incomplete as at 1 July 2018.

Trade and other receivables relate to revenue amounts billed to customers that meet the definition of a financial asset. AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

The amendments have had not had a significant impact on the Group.

### 1.3 Critical accounting estimates and judgements

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on the financial statements.

#### Business combinations

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination (see Note 23b)). In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees' future profitability.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

#### Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cashgenerating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### Construction contract revenue

Recognised amounts of construction contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

### 1.4 Accounting standards issued but not yet effective and not been adopted early by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	AASB 16 Leases
Nature of change	AASB16 was issued in February 2016. For lessees, it will result in almost all leases being recognised on the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.
Impact	The Group is currently evaluating the impact of the new standard.
Mandatory application date	Must be applied for financial years commencing on or after 1 January 2019.
Date of adoption by Group	Date of adoption by the Group: 1 July 2019.

There are no other standards that are not yet effective and that are expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

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

## **1.5 Significant accounting policies**

### **Income tax**

The income tax expense / (revenue) for the year comprises current income tax expense / (income) and deferred tax expense / (income). Current and deferred income tax expense / (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

### **Current tax**

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 tax**

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well 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, excluding a business combination, 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, based on tax rates enacted or substantively enacted at reporting date. 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 legally enforceable right of set-off exists, 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.

### **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Property, plant and equipment

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

#### *Property*

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Valuations are performed whenever the Directors believe there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### *Plant and equipment*

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

#### Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

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

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Buildings:	10%
Leasehold improvements:	10%-33%
Plant and equipment:	10%-33%
Leased plant and equipment:	10%-33%

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

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.

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

When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### Financial Instruments

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

When adopting IFRS 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

IFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities' risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness. The Group applies the new hedge accounting requirements prospectively and all hedges qualify for being regarded as continuing hedging relationships.

#### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit or Loss ('FVTPL')

- Held-To-Maturity ('HTM') investments; or
- Available-For-Sale ('AFS') financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### **(i) Financial assets at fair value through profit or loss**

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### **(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables fall into this category of financial instruments.

#### **(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these

investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets). If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

#### **Impairment of non-financial assets**

At each reporting date, the Group 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. 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.

#### **Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost.



Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### Employee benefits

##### *Short-term employee benefits*

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The Group's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

#### Provisions

Provisions are recognised when the Group 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 are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

#### Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### Revenue from Contracts with Customers

The new Standard has been applied retrospectively without restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 July 2018. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### **Construction Contracts**

Revenue from construction contracts is recognised in the income statement when the performance obligations are considered met, which can be at a point in time, or over time, depending on the service provided. Revenue is calculated based on the proportion of the contract costs incurred for work performed to date relative to the estimated total contract costs. The Group considers that this input method is an appropriate measure of the progress towards completion of the contractual performance obligations under AASB 15.

#### **Services revenue**

Revenue from the provision of services is recognised when the service has been provided. Each service is deemed a separate performance obligation. The transaction price is allocated to each obligation based on contract prices. Revenue from services is predominantly recognised on the basis of the value of the work completed.

#### **Transaction price and contract modifications**

The transaction price is the amount of consideration to which the company expects to be entitled to under the customer contract and which is used to value total revenue and is allocated to each performance obligation. The determination of this amount includes "fixed remuneration", (for example lump sum, schedule of rates or pricing for services) and "variable consideration".

The main variable consideration elements are claims (contract modifications) and consideration for optional works and provisional sums each of which needs to be assessed. Contract modifications are changes to the contract approved by the parties to the contract.

The right to the consideration should be provided for contractually generating an enforceable right once the enforceable right has been identified, the Group applies the guidance given in AASB 15 in relation to variable consideration. This requires assessment that is highly probable that there will not be a significant reversal of revenue in the future.

The measurement of additional consideration arising from claims is subject to a high level of uncertainty, both in terms of the amount that customers will pay and the collection times, which usually depend on the outcome of negotiations between the parties or decisions taken by judicial/arbitration bodies. The Group considers all relevant aspects in circumstances such as the contract terms, business and negotiating practices of the sector, the Group's historical experiences with similar contracts and consideration of those factors that affect the variable consideration that are out of control of the Group or other supporting evidence when making the above decision.

#### **Loss making contracts**

A provision is made for the difference between expected cost of full term of a contract and expected on and portion of the transaction price where forecast costs are greater than forecast revenue. The provision is recognised in full in a period in which the loss making contract is identified under AASB 137.

Revenue is recognised at an amount that reflects the consideration the Group expects to be entitled to, net of goods and services tax.

While this represents significant new guidance, the implementation of this new guidance did not have a significant impact on the timing or amount of revenue recognised by the Group in any year.

#### Borrowing costs

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

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

#### 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. 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

## 2 Revenue

		2019 \$	2018 \$
Sale of goods		111,865	126,760
Revenue from contracts with customers		99,054,767	11,727,444
		<b>99,166,632</b>	<b>11,854,204</b>
Timing of revenue recognition			
Products and services transferred over time		99,166,632	11,854,204
Revenue from contracts with customers		<b>99,166,632</b>	<b>11,854,204</b>
Contract balances			
Trade receivables	8	20,706,744	17,584,475
Contract assets	8	2,938,770	2,071,751
		<b>23,645,514</b>	<b>19,656,226</b>
Finance Income		<b>58,558</b>	<b>6,671</b>

Contract assets and revenue includes contract modifications recognised in accordance with the Group's accounting policy for which amounts are not yet finalised with the customer.

Trade receivables are non-interest bearing and are generally on 30 to 45 days term. In 2019, \$109,153 (2018: \$200,000) was recognised as provision for expected credit losses on trade receivables.

## 3 Other income

	2019 \$	2018 \$
Net gain on disposal of property, plant and equipment	137,954	-
Insurance recoveries	209,543	11,767
Other income	384,710	2,775
<b>Total other income</b>	<b>732,207</b>	<b>14,543</b>

## 4 Result for the year

The result for the year has been arrived at after crediting / (charging) the following items:

	2019 \$	2018 \$
<b>a Expenses</b>		
Rental expense on operating leases:		
• minimum lease payments	890,913	64,816
Depreciation	2,973,766	213,852
<b>b Finance costs</b>		
Interest expense for financial liabilities:		
• interest and finance charges	707,320	41,020
<b>Total finance costs</b>	<b>707,320</b>	<b>41,020</b>

## 5 Income tax expense

	2019 \$	2018 \$
<b>a The components of income tax expense comprise:</b>		
• current tax	2,089,811	372,458
• deferred tax	556,985	-
• under / (over) provision in respect of prior years	116,973	-
	<b>2,763,769</b>	<b>372,458</b>

## 6 Auditor's remuneration

	2019 \$	2018 \$
Remuneration of the auditor of Group, Grant Thornton Audit Pty Ltd for:		
• auditing the financial statements	110,973	-
• taxation services	19,569	18,000
<b>Total auditor's remuneration</b>	<b>130,542</b>	<b>18,000</b>

## 7 Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and in hand	7,902,506	9,632,052
Short-term bank deposits	89,095	-
<b>Total cash and cash equivalents</b>	<b>7,991,601</b>	<b>9,632,052</b>

## 8 Trade and other receivables

	2019 \$	2018 \$
<b>Current</b>		
Trade receivables	20,706,744	17,584,475
Allowance for credit losses	(76,966)	(664,845)
Contract assets	2,938,770	2,071,751
Other receivables	91,107	359,159
<b>Total trade and other receivables</b>	<b>23,659,655</b>	<b>19,350,540</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

Contract assets represents the unbilled amount expected to be collected from customers for contract work performed to date.

The above comparative for impairment provisions refers to the IAS 39 measurement basis which applied an incurred loss model, whereas the current year applies IFRS 9 which is an expected loss model.

## 9 Inventories

	2019 \$	2018 \$
<b>Current</b>		
At cost:		
• raw materials and stores	918,974	671,342

## 10 Other assets

	2019 \$	2018 \$
<b>Current</b>		
Deferred expense	13,139	21,545
Prepayments	1,042,619	1,234,590
Security deposits	100,222	7,220
<b>Total other assets</b>	<b>1,155,980</b>	<b>1,263,355</b>

## 11 Property, plant and equipment

	2019 \$	2018 \$
<b>Land and buildings</b>		
Land and buildings at fair value	225,602	44,602
Accumulated depreciation	(11,727)	(7,320)
<b>Total land and buildings</b>	<b>213,875</b>	<b>37,282</b>
<b>Leasehold improvements</b>		
At cost	300,323	160,177
Accumulated depreciation	(58,984)	(31,654)
<b>Total leasehold improvements</b>	<b>241,340</b>	<b>128,523</b>
<b>Motor vehicles</b>		
At cost	14,324,204	9,909,255
Accumulated depreciation	(7,142,406)	(3,754,646)
<b>Total motor vehicles</b>	<b>7,181,798</b>	<b>6,154,609</b>
<b>Plant and equipment</b>		
At cost	18,515,796	8,594,363
Accumulated depreciation	(13,307,109)	(3,421,657)
<b>Total plant and equipment</b>	<b>5,208,687</b>	<b>5,172,706</b>
<b>Furniture, fixtures &amp; fittings</b>		
At cost	200,231	109,069
Accumulated depreciation	(65,641)	(32,475)
<b>Total furniture, fixtures &amp; fittings</b>	<b>134,590</b>	<b>76,593</b>
<b>Software &amp; technology</b>		
At cost	316,904	225,050
Accumulated depreciation	(214,607)	(160,559)
<b>Total software &amp; technology</b>	<b>102,297</b>	<b>64,491</b>
<b>Tooling &amp; low value assets</b>		
At cost	254,711	202,653
Accumulated depreciation	(171,372)	(129,579)
<b>Total tooling &amp; low value assets</b>	<b>83,339</b>	<b>73,074</b>
<b>Total property, plant and equipment</b>	<b>13,165,926</b>	<b>11,707,278</b>

## 12 Intangible assets

	2019 \$	2018 \$
<b>Goodwill</b>		
Acquired – Proton Power	305,395	305,395
Acquired – Burton Power	1,129,147	-
Acquired – EFK Consulting Engineers	182,565	-
Acquired – Kambalda Electrical Contractors	129,372	-
Accumulated impairment losses	-	-
Accumulated amortisation	-	-
<b>Net carrying value</b>	<b>1,746,479</b>	<b>305,395</b>
<b>Total intangible assets</b>	<b>1,746,479</b>	<b>305,395</b>

## 13 Trade and other payables

	2019 \$	2018 \$
<b>Current</b>		
Unsecured liabilities:		
• trade payables	8,472,023	6,893,443
• sundry payables and accrued expenses	5,571,290	7,719,149
<b>Total trade and other payables</b>	<b>14,043,313</b>	<b>14,612,592</b>

## 14 Borrowings

	2019 \$	2018 \$
<b>Current</b>		
Bank loan secured	920,000	920,000
Lease liability	1,176,458	531,121
<b>Total current borrowings</b>	<b>2,096,458</b>	<b>1,451,121</b>
<b>Non-current</b>		
Bank loan secured	3,112,507	4,127,820
Lease liability	780,990	1,935,612
<b>Total non-current borrowings</b>	<b>3,893,498</b>	<b>6,063,432</b>
<b>Total borrowings</b>	<b>5,989,956</b>	<b>7,514,553</b>

The group has an unused overdraft/trade finance facility with a limit of \$5,000,000.

The group has an equipment finance facility with CBA with a limit of \$2,000,000 with \$1,800,000 available at 30 June 2019.

The group has an equipment finance facility with Mercedes Benz finance with a limit of \$2,000,000 with \$1,200,000 available at 30 June 2019.

The bank debt is secured by a General Security Agreement of the group. The Group was not in breach of any loan agreements permitting the lender to demand accelerated repayments at year end, nor did any breach occur during the year. The Group was not in default of any loans payable recognised at year end during the year.

## 15 Taxation

			2019 \$	2018 \$
Current				
Income tax payable / (receivable)			526,248	367,153
	1 July 2018 \$	Recognised in other comprehensive income \$	Recognised in profit and loss \$	30 June 2019 \$
Deferred tax liabilities	(1,131,185)	-	(240,413)	(1,371,598)
Deferred tax assets	1,099,429	-	(316,573)	782,856
	1 July 2017 \$	Recognised in other comprehensive income \$	Recognised in profit and loss \$	30 June 2018 \$
Deferred tax liabilities	-	-	(1,131,185)	(1,131,185)
Deferred tax assets	-	-	1,099,429	1,099,429

## 16 Employee benefits

	2019 \$	2018 \$
<b>Current</b>		
Annual leave	1,677,190	1,190,969
<b>Non-current</b>		
Long service leave	275,079	373,088
<b>Total employee benefits</b>	<b>1,952,269</b>	<b>1,564,057</b>

The current portion of these liabilities represents the groups obligations to which the employee has a current legal entitlement. These liabilities arise mainly from accrued annual leave entitlement at reporting date.

## 17 Provisions

	2019 \$	2018 \$
<b>Current <sup>(a)</sup></b>	<b>440,000</b>	<b>-</b>
<b>Non-current <sup>(b)</sup></b>	<b>260,000</b>	<b>-</b>
<b>Total provisions</b>	<b>700,000</b>	<b>-</b>

(a) Current provision relates to the estimated earn out for the purchase of Burton Power to be payable within 12 months of the balance date.

(b) Non current provision relates to relates to the estimated earn out for the purchase of Burton Power to be payable beyond 12 months of the balance date.



## 18 Issued capital

	2019 \$	2018 \$
1,390 (2018: 1,390) fully paid ordinary shares	18,800,698	18,800,698

The Group does not have a limited amount of authorised capital and issued shares do not have a par value. Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

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

## 19 Reserves

Notes	Reconstruction reserve \$	Total \$
Balance at 1 July 2017	-	-
Corporate reconstruction 1 June 2018 (a)	(511,834)	(511,834)
Balance at 30 June 2018	(511,834)	(511,834)
Balance at 1 July 2018	(511,834)	(511,834)
Balance at 30 June 2019	(511,834)	(511,834)

### a Corporate restructure reserve

The corporate reconstruction reserve recorded the transaction on the introduction of a new ultimate parent entity.

## 20 Capital and leasing commitments

	2019 \$	2018 \$
<b>a) Finance lease commitments</b>		
Payable – minimum lease payments:		
• not later than 12 months	1,095,776	1,065,187
• between 12 months and five years	872,652	1,430,596
	1,968,428	2,495,783
<b>b) Operating lease commitments</b>		
<i>Non-cancellable operating leases contracted for but not capitalised in the financial statements</i>		
Payable – minimum lease payments:		
not later than 12 months	785,500	635,541
between 12 months and five years	1,213,720	601,336
greater than five years		
	1,999,720	1,236,877

## 21 Contingent assets and contingent liabilities

The Group has no contingent assets.

There were no material warranty or legal claims brought against the Group during the year. Unless recognised as a provision, management considers these claims to be unjustified and the probability that they will require settlement at the Group's expense to be remote.

Further information on these contingencies is omitted so as not to prejudice the Group's position in the related disputes.

	2019 \$'000	2018 \$'000
<b>Estimates of the potential financial effect of contingent liabilities that may become payable:</b>		
Secured guarantee to company's bankers supported by a floating charge over the Group assets	11,378,304	6,103,021
Surety bonds secured by the Group assets	1,377,216	-
	<b>12,755,520</b>	<b>6,103,021</b>

The CBA guarantee facility has a limit of \$17,000,000.

The Surety bond facility has a limit of \$15,000,000. The surety bond provider has a combined sub limit of the CBA guarantee facility and surety bond facility of \$30,000,000.

## 22 Cash flow information

	2019 \$'000	2018 \$'000
<b>a Reconciliation of cash flow from operations with profit after income tax</b>		
Profit after income tax	6,012,740	490,754
Non-cash flows in profit:		
• gain on disposal of plant and equipment	(589,404)	-
• depreciation and amortisation	2,973,766	101,809
Changes in assets and liabilities:		
• increase in trade and other receivables	(3,495,769)	(694,679)
• increase in other assets	107,375	(1,107,196)
• decrease in inventories	(187,632)	14,006
• (increase) / decrease in trade and other payables	(460,423)	2,817,587
<b>Net cash provided by operating activities</b>	<b>4,360,653</b>	<b>1,622,281</b>

## 23 Controlled entities

### a) Controlled entities

	Country of Incorporation	Percentage Ownership	
		2019	2018
<b>Parent Entity:</b>			
GenusPlus Group Pty Ltd <sup>(a)</sup>	Aust		
<b>Subsidiaries:</b>			
Powerlines Plus Pty Ltd <sup>(b)</sup>	Aust	100%	100%
Diamond Underground Services Pty Ltd <sup>(b)</sup>	Aust	100%	100%
Proton Power Pty Ltd <sup>(b)</sup>	Aust	100%	100%
Complete Cabling and Construction Pty Ltd <sup>(b)</sup>	Aust	100%	100%
Proton Technical Services Pty Ltd <sup>(b)</sup>	Aust	100%	100%
Proton E&I Pty Ltd <sup>(c)</sup>	Aust	-	100%
GPL (WA) Pty Ltd <sup>(b)</sup>	Aust	100%	100%
Burton Power Pty Ltd <sup>(d)</sup>	Aust	100%	-
KEC Power Pty Ltd <sup>(e)</sup>	Aust	100%	-
Genus Engineering Pty Ltd <sup>(f)</sup>	Aust	100%	-

(c) GenusPlus Group Pty Ltd was incorporated on 6 July 2017.

(d) Powerlines Plus Pty Ltd was acquired on 17 May 2018. Powerlines Plus Pty Ltd was the 100% shareholder of Diamond Underground Services Pty Ltd, Proton Power Pty Ltd, Complete Cabling and Construction Pty Ltd, Proton Technical Services Pty Ltd, Proton E&I Pty Ltd and GPL (WA) Pty Ltd.

(e) Proton E&I Pty Ltd was deregistered on 3 October 2018.

(f) Burton Power Pty Ltd was acquired 1 January 2019.

(g) KEC Power Pty Ltd was incorporated on 4 February 2019.

(h) Genus Engineering was incorporated on 11 March 2019.

### b) Business Combinations

#### Acquisition of Burton Power Pty Ltd

On 1 January 2019 the group acquired 100% of the voting shares of Burton Power Pty Ltd, an unlisted company based in Australia which is a power infrastructure, construction and maintenance company providing services to the utility and mining industries. The group has acquired Burton Power Pty Ltd due to its presence in the utility and mining industry and synergies within the group reflected in the goodwill calculation below. The consolidated financial statements include the results of Burton Power Pty Ltd for the six month period from the acquisition date.

	Adopted valuation
<b>Fair Value of Consideration transferred</b>	
Cash	900,000
Deferred Consideration – Earn out	700,000
	<b>1,600,000</b>
<b>Current Assets</b>	
Cash and cash equivalents	177,930
Trade and Other Receivables	684,665
<b>Total Current Assets</b>	<b>862,595</b>
<b>Non-current Assets</b>	
Deferred tax assets	
Property, plant and equipment	503,372
<b>Total Non-current Assets</b>	<b>503,372</b>
<b>Total Assets</b>	<b>1,365,967</b>
<b>Liabilities</b>	
Trade and other payables	345,787
Provisions	395,434
Financial Liabilities	153,893
<b>Total Liabilities</b>	<b>895,114</b>
<b>Net identifiable assets acquired</b>	<b>470,853</b>
Goodwill	1,129,147
	<b>1,600,000</b>
Consideration transferred settled in cash	(900,000)
Cash and cash equivalents acquired	177,930
Acquisition costs charged to expense	-
<b>Net cash outflow relating to the transaction</b>	<b>(722,070)</b>

\$900,000 cash was paid to the vendor as consideration for the purchase.

Up to \$700,000 earn out being 50% of EBIT over the first two years payable annually by 31 March each year in 2020 and 2021.

If EBIT reaches \$2m over two years an additional \$50,000 is payable to the vendor.

Burton Power contributed revenue of \$3,111,000 and \$377,000 net income to the consolidated group for the period following the acquisition.

If Burton Power had been a part of the consolidated group for the entire year the consolidated position would have been \$101,902,000 to group revenue and \$6,142,000 to group net income.

### Acquisition of EFK Consulting Engineers

Genus Engineering Pty Ltd was incorporated on 11 March 2019. On 1 April 2019 Genus Engineering acquired the assets of EFK Consulting Engineers. The group has acquired EFK Consulting Engineers due to its specialty engineering and synergies within the group reflected in the goodwill calculation below.

The consolidated financial statements include the results of EFK Consulting Engineers for the three month period from the acquisition date.

	Adopted valuation
<b>Fair Value of Consideration transferred</b>	
Cash	200,000
Property, plant and equipment	17,435
<b>Net identifiable assets acquired</b>	<b>17,435</b>
<b>Goodwill</b>	<b>182,565</b>
	<hr/> 200,000
Consideration transferred settled in cash	(200,000)
Acquisition costs charged to expense	(5,606)
<b>Net cash outflow relating to the transaction</b>	<hr/> <b>(205,606)</b>

\$200,000 cash was paid to the vendor a consideration for the purchase.

EFK contributed revenue of \$157,000 and \$24,000 net income to the consolidated group for the period following the acquisition.

If EFK had been a part of the consolidated group for the entire year the consolidated position would have been \$100,557,000 to group revenue and \$6,108,000 to group net income.

### Acquisition of Kambalda Electrical Contractors

On 4 February 2019 KEC Power Pty Ltd (GE) was incorporated.

On 4 February 2019 it acquired the net assets of Kambalda Electrical Contractors (KEC) including the business name and IP.

The group has acquired Kambalda Electrical Contractors due to its power infrastructure and maintenance services to the utility and mining industries and synergies within the group reflected in the goodwill calculation below.

The consolidated financial statements include the results of EFK Consulting Engineers for the five month period from the acquisition date.

	Adopted valuation
<b>Fair Value of Consideration transferred</b>	
Cash	492,000
	<b>492,000</b>
<b>Current Assets</b>	
Stock	60,000
Work In progress	26,000
<b>Total Current Assets</b>	<b>86,000</b>
<b>Non-current Assets</b>	
Property, plant and equipment	170,000
Land and Buildings	181,000
<b>Total Non-current Assets</b>	<b>351,000</b>
<b>Total assets</b>	<b>437,000</b>
<b>Liabilities</b>	
Employee Provisions	74,372
<b>Total Liabilities</b>	<b>74,372</b>
<b>Net identifiable assets acquired</b>	<b>362,628</b>
<b>Goodwill</b>	<b>129,372</b>
	<b>492,000</b>
Consideration transferred settled in cash	(492,000)
Acquisition costs charged to expense	-
<b>Net cash outflow relating to the transaction</b>	<b>(492,000)</b>

\$492,000 cash was paid to the vendor a consideration for the purchase.

KEC contributed revenue of \$901,000 and \$93,000 net income to the consolidated group for the period following the acquisition.

If KEC had been a part of the consolidated group for the entire year the consolidated position would have been \$101,216,000 to group revenue and \$6,140,000 to group net income.

## 24 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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 25 Group details

The registered office of the Group is:

GenusPlus Group Pty Ltd  
11-15 Cooper Avenue  
Kenwick WA 6107

The principal place of business is:

GenusPlus Group Pty Ltd  
11-15 Cooper Avenue  
Kenwick WA 6107

## Directors' Declaration

The Directors have determined that the Group 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 of the Group declare that:

- 1 The financial statements and notes, as set out on pages 5 to 29, 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 other mandatory professional reporting requirements; and
  - b Give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Group in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2 There are reasonable grounds to believe that the Group 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.

Director  
David Riches



Dated the 10<sup>th</sup> day of September 2019



# Independent Auditor's Report

## To the Members of GenusPlus Group Pty Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of GenusPlus Group Pty Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b complying with Australian Accounting Standards to the extent described in Note 1 and complying with 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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' 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.

**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 Group's annual financial report for the year ended 30 June 2019, 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 Directors' 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

Perth, 10 September 2019