

30 August 2019

The Manager – Listings
Australian Securities Exchange Limited

Via Electronic Lodgement

Dear Sir

Appendix 4E and 2019 Director's Report and Financial Statements

Enevis Limited lodges the following documents in relation to its announcement to the market of its financial results for the year ended 30 June 2019.

1. Appendix 4E – Preliminary Final Report for the year ended 30 June 2019; and
2. Enevis Limited - 2019 Directors' Report and Annual Financial Report for the year ended 30 June 2019.

Yours faithfully



Paul Miller
Enevis Limited
Company Secretary

ENEVIS LIMITED

ACN 009 554 929

Appendix 4E Preliminary Final Report

1. Reporting period

Report for the financial year ended 30 June 2019
Previous corresponding period is the financial year ended 30 June 2018

2. Results for announcement to the market

Revenue from ordinary activities	Up	51.7%	to	\$41,186,567
Profit from ordinary activities after tax attributable to members	Up	101%	to	\$19,167
Net profit for the year attributable to members	Up	101%	to	\$19,167
Dividends	Amount per security		Franked amount per security	
Interim dividend	¢ -		¢ -	
Final dividend	¢ -		¢ -	
Record date for determining entitlements to the dividend	N/A			
Brief explanation of any of the figures reported above				
A commentary on these results and additional Appendix 4E disclosure requirements can be found in the attached Enevis Limited 2019 Directors' Report and Annual Financial Report. This report is based on the consolidated financial statements which have been audited by Pitcher Partners.				

3. Statement of Comprehensive Income

Refer to the attached 2019 Annual Financial Statements.

4. Statement of Financial Position

Refer to the attached 2019 Annual Financial Statements.

5. Statement of Cash Flows

Refer to the attached 2019 Annual Financial Statements.

ENEVIS LIMITED

ACN 009 554 929

Appendix 4E Preliminary Final Report

6. Dividends

There were no dividends paid or declared by the Company during the financial year.

7. Dividend or distribution reinvestment plans

There were no dividends paid or declared by the Company during the financial year and the Company does not have a dividend reinvestment plan

8. Net tangible assets per security

Net tangible asset backing per ordinary security

Current period	Previous corresponding period (Restated)
0.73 cents	(9.1 cents)

* NM – Not Meaningful

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Enevis Limited
ABN 24 004 554 929

**2019 Directors' Report and
Financial Statements**

Financial Report Contents

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Directors' Report

The directors present their report together with the financial report of the consolidated entity consisting of Enevis Limited and the entities it controlled, for the financial year ended 30 June 2019 and auditor's report thereon.

Directors

The names of each of the directors of the company in office during or since the end of the financial year are set out below, together with their qualifications, experience and special responsibilities are shown below.

Peter Jinks - Managing Director and Chairman

Peter is Managing Director and Chairman of the Company and has specific responsibility for operations and administration. Peter co-founded the KLM Group with Greg Jinks in 1981 and has been involved in the management of the business from its inception. He has over thirty plus years experience in technical services, specifically in electrical, data and communication consultation and management. Peter was crucial to the positioning of the KLM Group as one of Australia's major communications and data network infrastructure contractors.

Peter was appointed as non-executive director and chairman in October 2012 and appointed as Managing Director on 8 March 2016. Peter Jinks has not been a director of any other listed companies during past three years.

Greg Jinks - Executive director

Greg is Executive Director of the Company and has specific responsibility for strategy and business development. Greg was a cofounder of the KLM Group with Peter Jinks, and was a key driver of a business that became one of Australia's major communications and data network infrastructure contractors. Greg has more than twenty-five plus years experience in the telecommunications sector particularly in the area of cabling and infrastructure, voice and laser and microwave wireless products.

Greg was appointed as director of the Company in October 2012. Greg Jinks has not been a director of any other listed companies during past three years.

Terence Grigg – Non Executive director

Terence has 25 years experience as an Executive Director of Ausfine Foods Pty Ltd, an importer and exporter of meat and dairy products.

Terence was previously a Director of Ansearch Limited, Richmond Football Club, Windermere Child and Family Services (not for profit), Position Partners Pty Ltd (Civil Construction & Infrastructure Services) and ESCA Australia Pty Ltd (Medical Research Stem Cells).

Terence was appointed as director of the Company on 31 January 2017. Terence Grigg is also the Chairman and Non-executive Director of The Love Group Global Ltd an ASX listed entity.

Thomas Krulis – Non Executive director

Thomas Krulis holds a B.Comm, LLB (UNSW) degree and worked as a Corporate Lawyer at Freehills in Sydney and as a Corporate Advisor at Australian Bank (now Australia and New Zealand Banking Group Ltd) in Melbourne.

Thomas was Joint Managing Director of Godfrey's before being appointed Chief Executive Officer and Managing Director of Godfreys Group Limited in November 2014. He later held a non-executive director position until his departure in March 2017. He is a Director of a number of privately held companies, including PetStock.

Thomas was appointed as a director of the Company on 20 September 2017. Thomas Krulis has not been a director of any other listed companies during past three years.

Company Secretary

Paul Miller

Paul is a Chartered Accountant and with more than 25 years of financial experience having been employed by the chartered accountancy firm PricewaterhouseCoopers in Australia and London for six years and has worked in a variety of finance and accounting based roles in both listed and unlisted companies. Paul held the position of Deputy Chief Financial Officer for Pharmaxis Ltd (an ASX listed entity) where he worked for 10 years with responsibility for all aspects of operational financial and tax management for the group.

Paul was appointed as company secretary of the Company on 24 October 2017.

Directors' Report (continued)

Review of Operations

Operating Results

Full year sales continue to grow significantly with group trading revenues of \$41,186,567 up 52% on the \$27,150,403 in the previous corresponding period from the continuing business operations of the Company. The consolidated group made a profit after tax of \$19,167 for the year ended 30 June 2019 compared to a loss of \$3,008,917 in the previous corresponding period.

Operational Overview

On 1 August 2018, the Company completed the acquisition of the Lumex Electrical business and assets under the Asset Sale Agreement between Scholz Industries Pty Ltd and Urban Lighting Group Pty Ltd, a wholly owned subsidiary of Enevis Limited. The Lumex business adds significantly to the Groups product portfolio with its energy efficiency LED lighting and controls and brought an established revenue base and opportunities to leverage synergies across the groups customer base.

The sales growth in SKS Technologies Pty Ltd (our audio visual and electrical division) continues and has been driven by an increasing recognition of the brand and quality of service delivery. The company also established a 'Greenfields' operation in South Australia which has exceeded expectations. The pipeline of opportunities, as well as the size of opportunities, remains favourable across the regions in which the company operates.

Urban Lighting Group Pty Ltd, our street and commercial lighting subsidiary, made steady progress. The amount of infrastructure activity and residential land developments remain high and we are finding strong demand within our Street Lighting division. Likewise, our commercial lighting brand is succeeding in winning quality projects, and we look forward to the forthcoming financial year with the introduction of a new range of exceptional product offerings.

Capital Structure

In August 2018 the Company raised \$3.45 million proceeds from the capital raise (gross of costs) that were deployed to fund the working capital requirements of the expanded business, following completion of the acquisition of the Lumex Electrical business and assets.

Working Capital and Cashflows from Operations

The Group remains in an expansion phase with revenue growth of 52% (as outlined above) and consequently is actively managing the working capital demands and challenges that growth brings. The investments that were made in building up inventory to support customer demands and lead times, the retention and receivable cycles within the SKS business and the investments made in right sizing trade and other payables, following a build up caused by a significant customer impairment event in the prior year, have resulted in a negative cash outflow from operating activities.

The company has a clear focus to achieve a positive cashflow outcome in the year ahead. Following a management and operational restructuring in our lighting division progress has been made to rationalise our inventory holdings and ongoing work across the group on rationalising overhead costs remains a priority.

Legal Matters

The Company has been successful in a claim for breach of contract against the consultant that was engaged to advise on historic Research and Development (R&D) expenditure claims, which the Company voluntarily withdrew on subsequent review and the Grants agreed to be repaid to the Australian Taxation Office on terms. The Company is advised that there are reasonable prospects of enforcing this Judgment together with any orders for costs and interest made by the Court and is actively pursuing that recovery process.

The results for the year ended 30 June 2019 include the one-off costs incurred to execute the legal process to a point of issuance of orders for recovery. Included in Other Income is an initial recovery accrual of \$200,000, although the company expects to collect in excess of of this amount once the costs and interest components are factored in and agreed.

Employees

The company now employs 92 highly qualified staff across five states and is well placed to take advantage of growth opportunities as they arise. The company has invested in expanding its presence in South Australia, New South Wales and more recently Queensland.

Principal Activities

The principal business activity of Enevis is design, distribution and installation of lighting and audio visual products.

Directors' Report (continued)

Outlook

The Audio Visual (AV) Integration and Lighting divisions continue their expansion with numerous large projects having been won and completed and many more in the pipeline. The AV division will look to further expand its operational points of presence with the appointment of a dedicated resource in Queensland and ongoing expansion in Victoria and South Australia.

Following the acquisition of the Lumex Electrical business and assets the Company has actioned its acquisition strategy to find complementary businesses to add to its already proven organic growth story to become a major Australian provider of Energy Technology and Services.

The company intends to leverage its electrical and technology skill base to bring energy efficiency solutions to all its projects and deliverables and seek out new technologies that add to its vision and to differentiate itself from its competitors. Accordingly, and as announced, the Company was excited to have signed an exclusive evergreen supply agreement with LumiGrow, the USA-based designer and manufacturer of smart grow light solutions. The relationship enables Enevis to leverage its existing skill base to enter the protected cropping markets and other emerging horticultural markets in Australia, New Zealand and parts of Asia.

The Group has also recently partnered with some prestigious European lighting brands to expand its offerings and capabilities.

The year ahead looks extremely promising, there are a number of projects in the pipeline, and the company is well placed to take advantage of opportunities as they arise.

Significant Changes in the State of Affairs

Other than as addressed above, there were no significant changes in the state of affairs of the Company and its controlled entities that occurred during the financial year.

Environmental Regulation and Performance

The company's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation. However, the Directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the economic entity.

Dividends

No dividends have been paid, declared or recommended but not paid by the company in respect of the year ended 30 June 2019 or the year ended 30 June 2018.

Options

No options were issued during the year ended 30 June 2019.

Shares under option

There are no unissued ordinary shares of Enevis Limited under option at the date of this report.

The following unlisted options expired as at 30 June 2019.

Date options granted	Number of unissued ordinary shares under option	Exercise price of shares	Expiry date of the options
30 June 2017	1,735,496	\$0.35	30 June 2019
1 November 2017	7,843,332	\$0.35	30 June 2019

No option holder has any right under the options to participate in any other share issue of the company.

Events Subsequent to Balance Date

The Group made a drawdown from Moller Volantor Pty Ltd, an entity related to Greg Jinks, under the pre existing secured and unsecured loan agreements (as detailed in note 14) to the amount of \$200,000 on 26 July 2019. The loan was in part required, to assist in funding pursuance of the legal case against the R&D Consultant, as outlined.

Apart from the matters described above, the directors are not aware of any matters or circumstances which have occurred subsequent to balance date, that may significantly affect the operations or the state of affair of the Consolidated entity in future financial periods.

Proceedings on Behalf of the company

Other than as noted above, no proceedings have been brought on behalf of the company or its controlled entities.

Directors' Report (continued)

Directors' meetings

The number of Directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director) are as follows:

Director	Directors Meetings	
	Eligible to attend	Attended
Peter Jinks	12	12
Greg Jinks	12	12
Terence Grigg	12	12
Thomas Krulis	12	12

Directors' interests in shares or options

Directors' relevant interests in shares of Enevis Limited or options over shares in the company (or a related body corporate) are detailed below.

Directors' relevant interests in:	Ordinary shares of Enevis Limited	Options over shares in Enevis Limited
Peter Jinks	6,019,167	Nil
Greg Jinks	7,019,167	Nil
Terence Grigg	171,500	Nil
Thomas Krulis	2,076,666	Nil

Indemnification and insurance of officers and auditors

The constitution of the company provides that, to the extent permitted by the *Corporations Act 2001* "every officer and employee of the company and its wholly-owned subsidiaries shall be indemnified out of the funds of the company (to the extent that the officer or employee is not otherwise indemnified) against all liabilities incurred as such an officer or employee, including all liabilities incurred as a result of appointment or nomination by the company or the subsidiary as a trustee or as an officer or employee of another corporation."

The directors of the company who held office during the past year, Peter Jinks, Greg Jinks, Terence Grigg and Thomas Krulis have the benefit of the above indemnity. The indemnity also applies to executive officers of the company who are concerned, or take part, in the management of the company.

The company has not paid any insurance premiums in respect of any past or present directors or auditors, other than as required by law.

Auditor independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report on page 37.

Non-Audit Services

Non-audit services are approved by resolution of the board of directors. Non-audit services were provided by the auditors of entities in the consolidated group during the year, namely Pitcher Partners Melbourne, as detailed below. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by Enevis Limited and have been reviewed and approved by the board of directors to ensure they do not impact on the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Enevis Limited or any of its related entities, acting as an advocate for Enevis Limited or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of Enevis Limited or any of its related entities.

	2019	2018
	\$	\$
Amounts paid and payable to Pitcher Partners (Melbourne) for non-audit services:		
Taxation services	60,570	60,000
	60,570	60,000

Directors' Report (continued)

Staff

The Board appreciates the support it continues to have from the company's staff, and acknowledges, with thanks, the efforts they are all making to the growth of the company.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in the Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for key management personnel of Enevis Limited.

Remuneration philosophy

Remuneration levels are set by the company in accordance with industry standards to attract and retain suitable qualified and experienced Directors and senior executives. The company has not engaged a remuneration consultant.

The company distinguishes the structure of non-executive Director's remuneration from that of executive Directors and senior executives. The company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregated sum fixed by a general meeting of shareholders.

The Company has an executive service agreement with Mr Peter Jinks (Chairman and Chief Executive Officer) and Mr Greg Jinks (Executive Director) whom are on three months' notice periods. The Company has employment agreements with each of its senior executives. There are no written agreements with the other non executive directors.

The remuneration for executive Directors is currently not linked to the Company's financial performance or share price. None of the remuneration of the Directors listed below was considered at risk.

There are no retirement schemes in place for directors other than statutory contributions to superannuation.

Details of key management personnel

Directors

Peter Jinks	Managing Director and Chairman
Greg Jinks	Executive Director
Terence Grigg	Non-Executive Director
Thomas Krulis	Non-Executive Director

Directors' and other officers' emoluments

	Short-term	Post-employment	Total
	Salary and fees	Superannuation	
	\$	\$	\$
2019			
Peter Jinks	227,173	21,227	248,400
Greg Jinks	183,146	17,399	200,545
Terence Grigg	30,000	-	30,000
Thomas Krulis	30,000	-	30,000
Total	470,319	38,626	508,945
2018			
Peter Jinks	224,152	20,908	245,060
Greg Jinks	245,400	-	245,400
Terence Grigg	30,000	-	30,000
Thomas Krulis (appointed on 20-09-2017)	25,000	-	25,000
Total	524,552	20,908	545,460

Remuneration Report (Audited) (continued)

Consequences of Company's performance on shareholder wealth

The following table summarises company performance and key performance indicators:

	2019	2018	2017 Restated *	2016 Restated *	2015
Sales revenue	\$41,186,567	\$27,150,403	\$20,239,474	\$15,415,780	\$14,807,749
% increase in revenue	52%	34%	31%	4%	-4%
Profit/(loss) before tax	\$19,167	(\$3,008,917)	(\$1,806,402)	(\$1,022,704)	(\$3,573,694)
% increase in profit/(loss) before tax	101%	(67%)	(77%)	71%	2,337%
Change in share price (%)	0%	(33%)	(25%)	(18%)	23%
Dividend paid to shareholders	-	-	-	-	-
Return of capital (\$)	-	-	-	-	-
Total remuneration of KMP	\$508,945	\$545,460	\$650,348	\$621,676	\$572,700
Total performance based remuneration	-	-	-	-	-

Key management personnel's equity holdings

(a) Number of options held by key management personnel

2019	Balance 1 July 2018	Granted as remuneration	Options Exercised	Options Lapsed	Balance 30 June 2019	Balance Held Directly	Balance Held Indirectly
Directors							
Peter Jinks	759,917	-	-	(759,917)	-	-	-
Greg Jinks	759,917	-	-	(759,917)	-	-	-
Terence Grigg	10,750	-	-	(10,750)	-	-	-
Thomas Krulis	666,666	-	-	(666,666)	-	-	-
	2,197,250	-	-	(2,197,250)	-	-	-

(b) Number of shares held by key management personnel

2019	Balance 1 July 2018	Received as remuneration	Other changes	Share Purchases (Approved at 2018 EGM)	Balance 30 June 2019	Balance Held Directly	Balance Held Indirectly
Directors							
Peter Jinks	5,019,167	-	-	1,000,000	6,019,167	12,500	6,006,667
Greg Jinks	5,019,167	-	-	2,000,000	7,019,167	-	7,019,167
Terence Grigg	71,500	-	-	100,000	171,500	-	171,500
Thomas Krulis	1,576,666	-	-	500,000	2,076,666	-	2,076,666
	11,686,500	-	-	3,600,000	15,286,500	12,500	15,274,000

Transactions with Key Management Personnel

The following is a summary of transactions with directors and other related parties entered into throughout the financial year:

- The company varied the secured and unsecured loan agreements with Moller Volantor (an entity related to Greg Jinks) to alter the repayment dates to 31 October 2020 (or earlier at the company's discretion).
- Following Shareholder Approval at the Extraordinary General Meeting held on 25 July 2018, \$200,000 of the \$500,000 unsecured loan outstanding (with Moller Volantor) was converted to 1,000,000 ordinary shares at \$0.20 cents per share being on the same terms as other sophisticated and wholesale investors who participated in the equity raise. Post 30 June 2019, the Company made a further drawdown of \$100,000 under this loan agreement.

Remuneration Report (Audited) (continued)

Transactions with Key Management Personnel (continued)

- The Company repaid \$500,000 of the secured loan (with Moller Volantor) on 16 August 2018. The Company subsequently did a drawdown on the secured loan facility on 4 February 2019 to the amount of \$500,000 and repaid \$100,000, leaving a balance owing at 30 June 2019 of \$900,000. Post 30 June 2019, the Company made a further drawdown of \$100,000 under this loan agreement.
- The Company paid interest cost of \$102,808 to Moller Volantor during the financial year ended on 30 June 2019 (2018: \$150,000).
- Lawson Lodge Country Estate (Macedon), a conference centre owed by Greg Jinks invoiced the company for \$24,199. The transaction was on an arms length basis on normal commercial terms and conditions.

Key management personnel did not receive any share based compensation during the year.

Corporate governance statement

The Board of Directors of Enevis Limited is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement (CGS) in accordance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on the Company's website.

Accordingly, a copy of the Company's CGS is available on the Enevis website at www.Enevis.com.au/corporate-governance.

Voting and comments made at the company's 2018 Annual General Meeting (AGM)

The company received 100% of 'for' votes in relation to its remuneration report for the year ended 30 June 2018. The resolution to adopt the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2018 was carried as an ordinary resolution. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Signed on 30 August 2019 in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.



Peter Jinks

Director
30 August 2019

**Consolidated Statement of Profit and Loss and Other Comprehensive Income
for the year ended 30 June 2019**

	Notes	2019 \$	2018 \$
Continuing Operations			
Revenue and other income			
Sales revenue	5(a)	41,186,567	27,150,403
Other income	5(b)	209,503	357
Total Revenue and other income		41,396,070	27,150,760
Expenses			
Cost of sales		(31,014,251)	(20,393,800)
Occupancy expenses	5(c)	(619,581)	(548,672)
Administration expenses		(8,733,683)	(6,726,059)
Depreciation and amortisation	5(c)	(252,419)	(148,925)
Impairment expense		(174,143)	(1,549,577)
Finance charges	5(c)	(582,826)	(641,567)
Total Expenses		(41,376,903)	(30,008,600)
Profit / (loss) before income tax		19,167	(2,857,840)
Income tax expense	7	-	-
Profit / (loss) after income tax from continuing operations		19,167	(2,857,840)
Loss after income tax from discontinued operations	24	-	(151,077)
Profit / (loss) for the year		19,167	(3,008,917)
Other Comprehensive Income		-	-
Total Comprehensive Profit/(loss) for the year		19,167	(3,008,917)
Profit / (loss) attributable to members of the Parent Entity		19,167	(3,008,917)
Earnings / (Loss) per share from continuing operations (cents per share)			
Basic	19	0.03	(6.82)
Diluted	19	0.03	(6.82)
Earnings / (Loss) per share from discontinued operations (cents per share)			
Basic	19	-	(0.36)
Diluted	19	-	(0.36)

The above statement should be read in conjunction with the accompanying notes

**Consolidated Statement of Financial Position
as at 30 June 2019**

	Notes	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	23(a)	679,878	2,907
Trade and other receivables	8	9,292,849	5,116,069
Inventories	9	5,336,670	2,618,280
Other assets	10	230,387	93,002
Total Current Assets		15,539,784	7,830,258
Non-Current Assets			
Plant and equipment	11	522,448	466,864
Intangible Assets	12	1,267,174	814,581
Other assets	10	159,999	119,025
Total Non-Current Assets		1,949,621	1,400,470
Total Assets		17,489,405	9,230,728
Current Liabilities			
Trade and other payables	13	8,219,621	5,396,530
Borrowings	14(a)	3,361,560	3,376,118
R&D tax incentive payable	15	-	2,524,819
Provisions – Employee benefits	16(a)	721,784	552,243
Total Current Liabilities		12,302,965	11,849,710
Non-Current Liabilities			
Borrowings	14(b)	1,200,000	349,251
R&D tax incentive payable	15	2,112,613	-
Provisions – Employee benefits	16(b)	118,250	75,213
Total Non-Current Liabilities		3,430,863	424,464
Total Liabilities		15,733,828	12,274,174
Net assets / (Net asset deficiency)		1,755,577	(3,043,446)
Equity			
Contributed equity	17	19,198,931	14,419,075
Accumulated losses	18	(17,443,354)	(17,462,521)
Total Equity		1,755,577	(3,043,446)

The above statement should be read in conjunction with the accompanying notes

**Consolidated Statement of Cash Flows
for the year ended 30 June 2019**

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		41,464,294	30,215,848
Payments to suppliers and employees		(43,733,057)	(30,228,776)
Interest received		4,114	4
Finance costs		(507,328)	(495,566)
Net cash used in operating activities	23(d)	(2,771,977)	(508,490)
Cash flows from investing activities			
Payment for plant and equipment		(196,839)	(75,319)
Proceeds from disposal of plant and equipment		16,642	768
Payment for intangibles		(387,720)	(5,832)
Proceeds from sale of business		-	787,642
Net cash (used in) / provided by investing activities		(567,917)	707,259
Cash flows from financing activities			
Proceeds from issue of shares		3,062,347	141,323
Proceeds from borrowings		1,650,367	-
Repayments of borrowings		(695,849)	(1,162,537)
Repayments of convertible notes		-	(1,335,894)
Net cash provided by / (used in) by financing activities		4,016,865	(2,357,108)
Net increase / (decrease) in cash held		676,971	(2,158,339)
Cash and cash equivalents at the beginning of the financial year		2,907	2,161,246
Cash and cash equivalents at the end of the financial year	23(a)	679,878	2,907

The above statement should be read in conjunction with the accompanying notes

**Consolidated Statement of Changes in Equity
for the year ended 30 June 2019**

	Contributed Equity \$	Accumulated losses \$	Total \$
As at 1 July 2017	14,277,752	(14,453,604)	(175,852)
Issue of shares	172,000	-	172,000
Cost of issue of shares	(30,677)	-	(30,677)
Loss for the year	-	(3,008,917)	(3,008,917)
As at 30 June 2018	14,419,075	(17,462,521)	(3,043,446)

	Contributed Equity \$	Accumulated losses \$	Total \$
As at 1 July 2018	14,419,075	(17,462,521)	(3,043,446)
Issue of shares to vendor of Lumex	1,117,509	-	1,117,509
Issue of shares for cash consideration	3,250,000	-	3,250,000
Issue of shares on debt to equity conversion	200,000	-	200,000
Cost of issue of shares	(187,653)	-	(187,653)
Issue of shares on conversion of Convertible Notes	400,000	-	400,000
Profit for the year	-	19,167	19,167
As at 30 June 2019	19,198,931	(17,443,354)	1,755,577

The above statement should be read in conjunction with the accompanying notes

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies

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

(a) Basis of preparation

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

The financial report covers Enevis Limited and controlled entities as a consolidated entity. Enevis Limited is a company limited by shares, incorporated and domiciled in Australia. The address of Enevis Limited's registered office and principal place of business is 53 Stanley Street, West Melbourne. Enevis Limited is a for-profit entity for the purpose of preparing the financial report.

The financial report of Enevis Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 30 August 2019.

Compliance with IFRS

The consolidated financial statements of Enevis Limited also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Significant accounting estimates

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities which the parent entity controls. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the group are presented as non-controlling interests. Non-controlling interests in the results of subsidiaries are shown separately in the consolidated Statement of Profit or Loss and Other Comprehensive Income and consolidated Statement of Financial Position respectively.

(c) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition-date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at its acquisition-date fair value.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in profit or loss.

Acquisition related costs are expensed as incurred.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

(d) Intangibles

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Refer to Note 1(c) for a description of how goodwill arising from a business combination is initially measured.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

(e) Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The group generated a profit of \$19,167 during the year ended 30 June 2019 (year ended 30 June 2018 loss of \$3,008,917), and as at that date, the group's net asset position was \$1,755,577 (30 June 2018: net asset deficiency \$3,043,446). The working capital position as at 30 June 2019 results in an excess of current assets over current liabilities of \$3,236,819 (30 June 2018: current liabilities over current assets \$4,019,452).

The group produced negative cash flows from operating activities for the year ended 30 June 2019 of \$2,771,977 following investment in working capital (30 June 2018: \$508,490). The ability of the Group to continue as a going concern is reliant on generating profits, improving cash flows from operating activities, managing debt levels, and the management of other cash flows within the Group's funding facilities.

Notwithstanding the above, the directors believe the going concern basis is appropriate due to the following factors:

- The Group has prepared forward budget and cash flow projections which are based on increasing revenues from the expanding technologies divisions of lighting and audio-visual products and solutions which support improving cashflows from operating activities.
- The technology division remains in a growth phase which has meant investment in people, facilities and equipment to allow for this growth. The directors expect that this investment which has already delivered significant growth will result in, not only further growth, but profitability and positive operating cash flows in the future.
- The Group has executed agreements with the Australian Taxation Office for an orderly repayment of the R&D tax payable booked which enables the Group to manage repayment of this debt. Broadly, this comprises repayment by instalments over a three (3) year timeframe ending May 2022. As at 30 June 2019, the company has met its repayment obligations for the ensuing 12 month period and accordingly the debt is classified as non-current.
- The Group has secured agreement from Moller Volantor Pty Ltd to defer the repayment date on the secured loan and unsecured loans until 31 October 2020, although the Group retains the right (but not the obligation) to repay these loans earlier if cashflows allow. These deferrals further assist the Group in realigning its debt repayment obligations to coincide with expected improved future cashflows. Attention is also drawn to the note 27 Subsequent Events.
- The Group has the ongoing support of its Debtor Financiers and at the date of this report is in the process of negotiating revised credit limits and terms to support future revenue growth.
- The directors also believe the company has quality assets that could be realised if required to raise further capital to fund working capital requirements or repay debt.

Based on the above the directors believe that the Group will continue as a going concern over the next 12 months and consequently will realise assets and settle liabilities and commitments in the ordinary course of business and at the amounts stated in the financial report.

If the going concern basis of accounting is found to no longer be appropriate, the recoverable amounts of the assets shown in the statement of financial position are likely to be significantly less than the amounts disclosed and the extent of the liabilities may differ significantly from those reflected in the statement of financial position.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

(f) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- a. the group's business model for managing the financial assets; and
- b. the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the group are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Loans to related parties

Loans to related parties are debt instruments, and are classified (and measured) at amortised cost on the basis that:

- a. they are held within a business model whose objective is achieved by the group holding the financial asset to collect contractual cash flows; and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- a. debt instruments measured at amortised cost;
- b. debt instruments classified at fair value through other comprehensive income; and
- c. receivables from contracts with customers and contract assets.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

Financial Instruments (cont'd)

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The group considers a financial asset to have a low credit risk when the counterparty is assessed by the group to have a strong financial position and no history of past due amounts from previous transactions with the group.

The group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The group determines expected credit losses based on individual debtor level expectations relative to credit terms, adjusted for factors that are specific to the debtor as well as relevant current and future expected economic conditions. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- a. significant financial difficulty of the issuer or the borrower;
- b. breach of contract;
- c. the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

(g) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is calculated on a straight-line basis or diminishing value over the estimated useful life of the asset as follows:

Plant and equipment: over 3 to 10 years

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(h) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset which are capitalised until the asset is ready for its intended use or sale.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs are accounted for as follows:

Raw materials – average purchase cost. The cost of purchase comprises the purchase price, import duties and other taxes, transport, handling and other costs directly attributable to the acquisition of raw materials.

Finished goods and work-in-progress – average cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Other long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, 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 terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

Employee benefits (cont'd)

(iii) Termination benefits

The group recognises an obligation and expense for termination benefits at the earlier of: (a) the date when the group can no longer withdraw the offer for termination benefits; and (b) when the group recognises costs for restructuring and the costs include termination benefits. In either case, the obligation and expense for termination benefits is measured on the basis of the best estimate of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before twelve months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

(iv) Retirement benefit obligations

Defined contribution superannuation plan

The consolidated entity makes superannuation contributions (currently 9.50% of the employee's average ordinary salary) to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the statement of financial position.

(l) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will result and that outflow can be reliably measured.

(m) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the consolidated entity are classified as finance leases. Finance leases are capitalised, recording an asset and liability equal to the fair value or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease, if this is practicable to determine; if not, the consolidated entity's incremental borrowing rate is used. Interest expense on finance leases is included in finance costs in the statement of profit or loss. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely the consolidated entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period in accordance with the effective interest method.

Operating leases

Lease payments for operating leases are recognised as an expense on a straight-line basis over the term of the lease.

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

(n) Revenue

Revenue from the sale of goods is recognised when the customer receives the goods, ownership of the goods have passed and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Ownership is considered to have passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the provision of services is recognised as performance obligations are satisfied over time, via transfer of services to customers, which is measured based on stage of completion.

Certain customers may be invoiced in advance of provision of services and this amount is recognised as a liability until the group provides, and the customer consumes, the benefits of the services.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

(o) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax balances

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

Enevis Limited (parent entity) and its wholly owned subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group from 30 November 2009. The parent entity and subsidiaries in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances;
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

(p) 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 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 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.

(q) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use. Refer to Note 2 for a description of how management determines value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount such as property, plant and equipment, in which case the impairment loss is treated as a revaluation decrease. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

(r) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if it is highly probable their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Except in some limited circumstances, such as in the case of deferred tax balances and items measured at fair value on a recurring basis, non-current assets and assets and liabilities comprising disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell.

An impairment loss is recognised when the carrying amount of a non-current asset or disposal group held for sale exceeds its fair value less costs to sell and is recognised immediately in profit or loss. Any impairment loss on a disposal group is allocated first to any goodwill attributable to the disposal group, and then to the remaining assets and liabilities on a pro rata basis, except for inventories, deferred tax assets and assets otherwise measured at fair value on a recurring basis. Gains are recognised in respect of any subsequent increases in fair value less costs to sell of non-current assets or disposal groups held for sale, but only to the extent of any cumulative impairment losses previously recognised.

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are disclosed separately in the consolidated financial statements.

(s) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(t) Rounding of amounts

The parent entity and the consolidated entity have applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar.

(u) Accounting standards issued but not yet effective at 30 June 2019

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

AASB 16 Leases

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019). AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
 - property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
 - lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and would account for each type of lease in a manner consistent with the current approach under AASB 117.

Under AASB 16 operating lease commitments would be recognised as a liability of \$1,305,586 as at 1 July 2019.

Notes to the financial statements for the year ended 30 June 2019

Note 1: Summary of significant accounting policies (continued)

(v) Summary of the significant accounting policy changes

The Group adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018. AASB 15 provides (other than in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Accordingly, in contrast to the approach under AASB 118 Revenue, AASB 15 does not prescribe different patterns of revenue recognition depending on whether the entity provides a good or service to the customer.

The Group adopted AASB 15 with no material impact resulting to revenue recognised. The accounting policy in relation to revenue after the adoption of AASB 15 is included in Note 1 (n).

The Group adopted AASB 9 Financial Instruments, from 1 July 2018. AASB 9 replaces AASB 139: Financial Instruments: Recognition and Measurement. The key changes to the requirements in AASB 139 include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost to be based on an expected loss approach.

The Group adopted AASB 9 with no resulting change to the classification and measurement of the groups payables and borrowings. In relation to impairment of financial assets, the changes to the expected loss approach did not have a material impact to the groups financial position.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In applying the Group's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in note 5.

Impairment of Goodwill

The recoverable amount of Goodwill is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of 5 years. Management's determination of cash flow projections and gross margins are based on past performance and its expectations for the future. The present value of future cash flows has been calculated using an average growth rate of 2.5% for cash flows in year two to five which is based on the historical average, a terminal value growth rate of 2.5% and a pre-tax discount rate of 12% to determine value-in-use.

Sensitivity analysis concluded that there would be no impact on the carrying value of the goodwill.

Notes to the financial statements for the year ended 30 June 2019

NOTE 3: RELATED PARTY DISCLOSURES

The following is a summary of transactions with directors and other related parties entered into throughout the financial year:

- The company varied the secured and unsecured loan agreements with Moller Volantor (an entity related to Greg Jinks) to alter the repayment dates to 31 October 2020 (or earlier at the company's discretion).
- Following Shareholder Approval at the Extraordinary General Meeting held on 25 July 2018, \$200,000 of the \$500,000 unsecured loan outstanding (with Moller Volantor) was converted to 1,000,000 ordinary shares at \$0.20 cents per share being on the same terms as other sophisticated and wholesale investors who participated in the equity raise. Post 30 June 2019, the Company made a further drawdown of \$100,000 under this loan agreement.
- The Company repaid \$500,000 of the secured loan (with Moller Volantor) on 16 August 2018. The Company subsequently did a drawdown on the secured loan facility on 4 February 2019 to the amount of \$500,000 and repaid \$100,000, leaving a balance owing at 30 June 2019 of \$900,000. Post 30 June 2019, the Company made a further drawdown of \$100,000 under this loan agreement.
- The Company paid interest cost of \$102,808 to Moller Volanter during the financial year ended on 30 June 2019 (2018: \$150,000).
- Greg Jinks invoiced the company for director fees of \$Nil (2018: \$245,400) via his entity Lawson Group Inc.
- Lawson Lodge Country Estate (Macedon), a conference centre owed by Greg Jinks invoiced the company for \$24,199. The transaction was on an arms length basis on normal commercial terms and conditions.

NOTE 4: ACQUISITION OF CONTROLLED ENTITIES

On 1 August 2018, the Group completed the acquisition of the Lumex Electrical business and assets under the Asset Sale Agreement (ASA) between Scholz Industries Pty Ltd and Urban Lighting Group Pty Ltd, a wholly owned entity of Enevis Limited.

Details of the assets and liabilities acquired and consideration paid is as follows:

Inventory	862,516
Plant and equipment	39,570
Entitlement to NuGreen shares	66,067
Employee entitlements	(13,713)
Goodwill	163,069
Total consideration paid	1,117,509

Details of the purchase consideration

a. Consideration paid

In accordance with the terms of the ASA, the company issued 5,587,547 new shares in the Company (Up-Front Shares) to the seller on 1 August 2018 at \$0.20 per share equating to \$1,117,509.

b. Contingent consideration

The ASA provided for the issue of up to a further 4,000,000 fully paid ordinary shares in the capital of the Company over a period of approximately 2 years subject to certain revenue and EBITDA hurdles being satisfied.

The performance hurdles for issuance of shares for Tranche 1 and Tranche 2 were not met for the financial year ended 30 June 2019 and consequently no shares are to be issued. Further, the company has made an assessment that the 30 June 2020 hurdles are unlikely to be met and have not provided for any future payments.

Enevis has obtained a waiver from the Australian Securities Exchange to permit these tranches to be issued over this period.

Notes to the financial statements for the year ended 30 June 2019

NOTE 4: ACQUISITION OF CONTROLLED ENTITIES (continued)

The fair value of this contingent consideration is \$0.

Contribution since acquisition

Since acquisition date the Lumex business assets have contributed revenue of \$4,651,597.

Transaction costs

The Group incurred legal costs associated with the ASA totalling \$42,537 which have been expensed in the Statement of Profit or Loss and Other Comprehensive Income.

NOTE 5: INCOME AND EXPENSES

	2019 \$	2018 \$
(a) Sales revenue		
Revenue from services	25,127,591	16,433,327
Revenue from sale of goods	16,058,976	10,717,076
Total sales revenue	41,186,567	27,150,403
(b) Other income		
Interest revenue	4,114	4
Other income	205,389	353
Total other income	209,503	357
Total revenue and other income	41,396,070	27,150,760
Unearned revenue as recorded in Note 13, is recorded as a current liability and the underlying performance obligations are expected to be completed within 12 months		
(c) Expenses		
Depreciation and amortisation of non-current assets:		
Plant and equipment	154,223	142,041
Computer software	51,382	6,884
Development costs	46,814	-
	252,419	148,925
Finance Costs:		
Interest – other loans	556,958	583,470
Interest – Unlisted Convertible notes	19,836	40,000
Amortisation of deferred borrowing cost	6,032	18,097
	582,826	641,567
Loss on sale of assets	9,960	-
Operating lease expenses	619,581	548,672
Employee Benefits:		
Wages	10,564,396	6,217,379
Superannuation	855,354	566,461

Notes to the financial statements for the year ended 30 June 2019

NOTE 6: DIRECTOR'S AND EXECUTIVE'S COMPENSATION

(a) Details of Directors

Peter Jinks	Managing Director and Chairman
Greg Jinks	Executive Director
Terence Grigg	Non Executive Director
Thomas Krulis	Non Executive Director

(b) Remuneration by Category: Directors and Executives

	2019	2018
	\$	\$
Short-term employee benefits	470,319	524,552
Long-term employee benefits	-	-
Post-employment Employee benefits	38,626	20,908
Total	508,945	545,460

NOTE 7: INCOME TAX

- (a) Prima facie tax benefit/expense on profit/(loss) before income tax is reconciled to the income tax expense as follows:

Profit / (loss) before income tax	19,167	(3,008,917)
Prima facie income tax payable / (benefit) on profit/(loss) before		
Income tax at 27.5% (2018: 30%)	5,271	(902,675)
Add tax effect of:		
Timing differences	(5,271)	-
Temporary differences and tax losses not brought to account as deferred tax assets	-	902,675
Income tax expense	-	-

NOTE 8 CURRENT TRADE AND OTHER RECEIVABLES

Trade debtors	7,826,963	5,429,207
Retention debtors	663,892	240,087
Allowance for credit losses	(40,300)	(1,253,620)
Contract assets	576,227	446,719
Other receivables	266,067	253,676
	9,292,849	5,116,069

Movements in the allowance for credit losses were:

Opening balance at 1 July	(1,253,620)	(31,955)
Charge for the year	(31,597)	(1,241,635)
Amounts written off	1,244,917	19,970
Closing balance at 30 June	(40,300)	(1,253,620)

	Gross 2019	Expected credit loss 2019	Gross 2018	Expected credit loss 2018
		\$		\$
Trade receivables ageing analysis at 30 June is				
Not past due	4,585,151	-	2,192,492	-
Past due 0 - 30 days	2,812,362	-	1,653,776	-
Past due 31-60 days	346,646	-	107,540	-
Past due more than 60 days	82,804	(40,300)	1,475,399	(1,253,620)
	7,826,963	(40,300)	5,429,207	(1,253,620)

Notes to the financial statements for the year ended 30 June 2019

NOTE 9: INVENTORIES

	2019	2018
	\$	\$
Finished goods	5,336,670	2,618,280
At lower of cost and net realisable value	5,336,670	2,618,280

NOTE 10: OTHER CURRENT ASSETS

Current		
Prepayments and other assets	230,387	93,002
Non Current		
Bank Guarantees	159,999	119,025

NOTE 11: PLANT & EQUIPMENT

Plant and equipment		
At cost	1,181,175	1,003,134
Accumulated depreciation	(658,727)	(536,270)
	522,448	466,864

(a) Reconciliation of carrying amounts at the beginning and end of the period

Plant and equipment		
Carrying value as at 1 July	466,864	538,456
Additions	196,839	75,319
Assets acquired on acquisition of Lumex (i)	39,570	-
Disposals	(26,602)	(521)
Assets disposed on sale of Duelttek	-	(4,349)
Depreciation expense	(154,223)	(142,041)
Carrying value as at 30 June	522,448	466,864

(i) Acquisition of Lumex – refer note 4

NOTE 12: INTANGIBLE ASSETS

Goodwill at cost (a)	814,618	651,549
Brand name – Forlite	150,000	150,000
Computer software (b)	98,611	13,032
Development costs (c)	203,945	-
	1,267,174	814,581

(a) Reconciliation of carrying amounts at the beginning and end of the period

Goodwill

Carrying value as at 1 July	651,549	773,327
Goodwill on acquisition of Lumex (i)	163,069	-
Goodwill on disposal of Duelttek	-	(121,778)
Carrying value as at 30 June	814,618	651,549

(i) Acquisition of Lumex – refer note 4

(b) Reconciliation of carrying amounts at the beginning and end of the period

Computer software

Carrying value as at 1 July	13,032	14,084
Software costs capitalised	136,961	5,832
Amortisation	(51,382)	(6,884)
Carrying value as at 30 June	98,611	13,032

Notes to the financial statements for the year ended 30 June 2019

NOTE 12: INTANGIBLE ASSETS (continued)

(c) Reconciliation of carrying amounts at the beginning and end of the period

Development costs

Carrying value as at 1 July	-	-
Development costs capitalised	250,759	-
Amortisation	(46,814)	-
Carrying value as at 30 June	203,945	-

NOTE 13: CURRENT TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Trade payables (a)	6,617,726	3,886,548
Accrued expenses	283,657	387,237
Other payables	522,941	432,271
Unearned revenue	795,297	690,474
	8,219,621	5,396,530

(a) Trade payables are non-interest bearing and are normally settled on 60-day terms

NOTE 14: BORROWINGS

(a) Current

Secured:

Bank and other loans (i)	3,313,008	1,662,639
Lease finance (ii)	48,552	113,479
Borrowing from Moller Volantor (iii)	-	1,000,000

Unsecured:

Convertible Notes – unlisted (v)	-	400,000
Borrowing from Moller Volantor (iv)	-	200,000
	3,361,560	3,376,118

(b) Non Current

Secured:

Lease finance (ii)	-	49,251
Borrowing from Moller Volantor (iii)	900,000	-

Unsecured:

Borrowing from Moller Volantor (iv)	300,000	300,000
	1,200,000	349,251

- (i) Secured bank and other loans are secured by a fixed and floating charge over Enevis Limited, SKS Technologies Pty Ltd, Dueltex Pty Ltd and Urban Lighting Group Pty Ltd.
- (ii) Both current and non-current finance leases were secured by assets acquired utilising finance lease facilities.
- (iii) Secured loan from Moller Volantor Pty Ltd, an entity related to Greg Jinks, is secured by a second ranking fixed and floating charge over Enevis Limited. This loan bears interest at a fixed rate of 10% per annum payable monthly in arrears, to be repaid in full on or before 31 October 2020 (or earlier at the company's discretion).
- (iv) Unsecured loan from Moller Volantor Pty Ltd, an entity related to Greg Jinks. This loan bears interest at a fixed rate of 10% per annum payable monthly in arrears, to be repaid in full on 31 October 2020 (or earlier at the company's discretion).
- (v) The unlisted Convertible Notes were a 2 year financial instrument. These Convertible Notes bore interest at a fixed rate of 10% per annum payable quarterly in arrears and were all converted to ordinary shares on 28 October 2018.

Notes to the financial statements for the year ended 30 June 2019

NOTE 15: R&D TAX INCENTIVE PAYABLE

	2019	2018
	\$	\$
R&D Tax Incentive Payable	2,112,613	2,524,819
(a) Current	-	2,524,819
(b) Non Current	2,112,613	-
	2,112,613	2,524,819

Following realisation that the projects forming the basis of the Research & Development (R&D) expenditure claims for the 2015 and 2016 financial years was not eligible in the first instance for R&D registration, Enevis made a voluntary disclosure to the Australian Taxation Office to amend its historic claims in full, requiring it to repay the cash refunds received totalling \$2,332,681 and associated interest charges. Broadly, this comprises repayment by instalments over a three (3) year timeframe ending May 2022. As at 30 June 2019, the company has met its repayment obligations for the ensuing 12 month period and accordingly the debt is classified as non-current.

NOTE 16: PROVISION – EMPLOYEE BENEFITS

	2019	2018
	\$	\$
Balance at 1 July	627,456	520,989
Provision for the year	745,583	555,226
Acquired on purchase of Lumex	13,713	-
Amounts used	(546,718)	(448,759)
Balance as at 30 June	840,034	627,456
(a) Employee benefits – Current	721,784	552,243
(b) Employee benefits – Non Current	118,250	75,213
	840,034	627,456

NOTE 17: CONTRIBUTED EQUITY

Balance as at 1 July	14,419,075	14,277,752
Issue of shares to vendor of Lumex	1,117,509	-
Issue of shares for cash consideration	3,250,000	172,000
Issue of shares on debt to equity conversion	200,000	-
Cost of issue of shares	(187,653)	(30,677)
Issue of shares on conversion of Convertible Notes	400,000	-
Balance as at 30 June	19,198,931	14,419,075

	2019	2018
	No of Shares	No of Shares
Balance as at 1 July	42,087,214	41,513,880
Issue of shares to vendor of Lumex	5,587,547	-
Issue of shares for cash consideration	16,250,000	573,334
Issue of shares on debt to equity conversion	1,000,000	-
Issue of shares on conversion of Convertible Notes	1,686,339	-
Balance as at 30 June	66,611,100	42,087,214

Notes to the financial statements for the year ended 30 June 2019

NOTE 17: CONTRIBUTED EQUITY (continued)

Capital Management

When managing capital, management's objective is to ensure the consolidated entity continues to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

Options

The Company has nil options outstanding as at 30 June 2019.

NOTE 18: ACCUMULATED LOSSES

	2019	2018
	\$	\$
Balance at beginning of year	(17,462,521)	(14,453,604)
Net Profit / (Loss)	19,167	(3,008,917)
Balance at end of year	(17,443,354)	(17,462,521)

NOTE 19: LOSS PER SHARE

Reconciliation of earnings used in calculating earnings per share:

Profit / (Loss) from continuing operations	19,167	(2,857,840)
(Loss) from discontinued operations	-	(151,077)
Profit / (Loss) used in the calculation of basic profit / (loss) per share	19,167	(3,008,917)
Profit / (Loss) used in calculating diluted earnings per share	19,167	(3,008,917)
Earnings used in calculating diluted earnings per share	19,167	(3,008,917)

	2019	2018
	No of Shares	No of Shares
Weighted average number of ordinary shares used in calculating basic earning per share	63,892,913	41,894,008
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	63,892,913	41,894,008

Notes to the financial statements for the year ended 30 June 2019

NOTE 20: PARENT ENTITY DISCLOSURE

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the Australian Accounting Standards

	2019 \$	2018 \$
Statement of Financial Position		
Current assets	5,309,150	1,472,457
Non current assets	61,591	45,869
Total assets	5,370,741	1,518,326
Current liabilities	592,093	4,556,856
Non current liabilities	3,023,071	4,916
Total liabilities	3,615,164	4,561,772
Shareholders equity		
i) Issued capital	19,198,931	14,419,075
ii) Accumulated losses	(17,443,354)	(17,462,521)
Statement of Comprehensive Income		
Net profit / (loss)	19,167	(3,009,317)
Total comprehensive income	19,167	(3,009,317)
Guarantees		
Guarantees provided by parent entity in relation to the debts of the subsidiaries	3,236,856	2,299,394

NOTE 21: COMMITMENTS FOR EXPENDITURE

Non-cancellable operating leases:

Property: (i)

Not later than one year	449,124	462,681
Later than one year but not later than two years	161,205	295,292
Later than two years but not later than five years	126,724	32,774
	737,053	790,747

Plant and equipment: (ii)

Not later than one year	145,012	92,411
Later than one year but not later than two years	181,901	91,381
Later than two years but not later than five years	285,187	238,447
	612,100	422,239
	1,349,153	1,212,986

Leasing Arrangements

- The consolidated entity leases a number of premises throughout Australia. The initial rental period of each lease agreement varies between two and five years with renewal options ranging from none to five years. The majority of lease agreements are subject to rental adjustments, some annually or bi-annually, in line with market rates, Consumer Price Index or fixed increases. The Company has provided bank guarantees for a value of \$137,264 as rental bonds for leasing of premises.
- Relates to leased motor vehicles, photocopier & printers, are for a fixed period, at a fixed rate with no renewal options.

Notes to the financial statements for the year ended 30 June 2019

NOTE 22: CONTROLLED ENTITIES

Name of Company	Country of Incorporation	Percentage Owned	
		2019	2018
Parent Entity			
Enevis Limited	Australia		
Controlled Entities			
SKS Technologies Pty Ltd	Australia	100%	100%
SKS Technologies Construction Pty Ltd	Australia	100%	100%
Urban Lighting Group Pty Ltd	Australia	100%	100%
Dueltek Pty Ltd	Australia	100%	100%
Enegrow Pty Ltd *	Australia	100%	-
Lumigrow Pty Ltd **	Australia	100%	-

* Enegrow Pty Ltd was incorporated on 5 April 2019

** Lumigrow Pty Ltd was incorporated on 5 April 2019

NOTE 23: STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

Cash at bank	679,878	2,907
	679,878	2,907

(b) Financing Facilities:

Maximum available subject to (c) below

Bank and other loans	4,000,000	4,000,000
	4,000,000	4,000,000

(c) Facilities in use at the end of the financial year

Bank and other loans (i)	3,313,008	1,662,639
	3,313,008	1,662,639

- i) At the date of this report, the financier continues to provide debtor finance facilities. Debtor finance are secured against the trade receivables.

Notes to the financial statements for the year ended 30 June 2019

NOTE 23: STATEMENT OF CASH FLOWS (continued)

(d) Reconciliation of net cash used in operating activities to net profit / (loss) after income tax.

	2019	2018
	\$	\$
Net profit / (loss) after income tax	19,167	(3,008,917)
Loss on sale of assets	9,960	137,242
Depreciation & amortisation expense	252,419	148,925
Amortisation of deferred borrowing costs	6,032	18,097
Impairment expense	174,143	1,549,577
Finance costs capitalised	69,466	132,251
Change in net assets and liabilities		
(Increase)/decrease in assets:		
Current receivables	(4,176,780)	(695,239)
Current inventories	(2,030,017)	(315,698)
Other current assets	(151,992)	(79,195)
Increase/(decrease) in liabilities:		
Trade and other payables	2,856,760	1,486,465
Provisions	198,865	118,002
Net cash (used in) operating activities	(2,771,977)	(508,490)

NOTE 24: DISPOSAL OF BUSINESS

On 15 December 2017, the Company sold of its Duelttek Distribution business and associated business assets. The results of the discontinued operations for the current and comparative period are presented below:

	2019	2018
	\$	\$
(i) Financial performance information		
Sales revenue	-	655,755
Expenses	-	(687,484)
Other income	-	17,894
Loss before income tax	-	(13,835)
Income tax expense	-	-
Loss after income tax from discontinued operations	-	(13,835)
Loss on disposal of the discontinued operations before income tax	-	(137,242)
Income tax expense	-	-
Loss on disposal of the discontinued operations after income tax	-	(137,242)
Loss from discontinued operation	-	(151,077)
(ii) Cash flow information		
Net cash used in operating activities	-	(114,489)
Net cash from investing activities	-	787,642
Net cash used in financing activities	-	(704,350)
Net cash flow	-	(31,197)
Details of discontinued operation disposed		
Consideration received or receivable	-	994,318
Less: Net assets disposed of	-	(1,114,176)
Less: transaction costs to complete sale of business	-	(17,384)
Loss on disposal of discontinued operation before tax	-	(137,242)
Income tax expense	-	-
Loss on disposal of discontinued operation after tax	-	(137,242)

Notes to the financial statements for the year ended 30 June 2019

NOTE 25: FINANCIAL RISK MANAGEMENT

(a) 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 revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, finance leases and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is the policy of the consolidated entity to regularly review foreign currency exposures. The degree to which the foreign exchange risk is managed will vary depending on circumstances that prevail at the time the risk is known or anticipated. There are no foreign currency contracts outstanding at the reporting date (2018: Nil).

The group hold no financial assets or liabilities at fair value.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The group monitors its exposure to interest rate risk as part of its capital and cash management. Refer Note 14 for more details.

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligation as they fall due. The entity's approach in managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The consolidated entity does not have any significant concentrations of credit risk (on a net basis after recognising impairment losses) that arise from exposures to a single debtor or to a group of debtors having a similar characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for credit losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Sensitivity Analysis

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis concluded there would be no material impact on fair values of financial assets and liabilities.

Notes to the financial statements for the year ended 30 June 2019

NOTE 25: FINANCIAL INSTRUMENTS (continued)

(c) Financial Risk Management

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Consolidated Group								
Financial liabilities due for payment								
Trade and other payables	(8,219,621)	(5,396,530)	-	-	-	-	(8,219,621)	(5,396,530)
Bank loans	(3,313,008)	(1,662,639)	-	-	-	-	(3,313,008)	(1,662,639)
Lease finance	(48,552)	(113,479)	-	(49,251)	-	-	(48,552)	(162,730)
Borrowing from Moller Volantor - secured	-	(1,000,000)	(900,000)	-	-	-	(900,000)	(1,000,000)
Borrowing from Moller Volantor - unsecured	-	(200,000)	(300,000)	(300,000)	-	-	(300,000)	(500,000)
R&D Tax Incentive Payable	-	(2,524,819)	(2,112,613)	-	-	-	(2,112,613)	(2,524,819)
Convertible Notes – unlisted	-	(400,000)	-	-	-	-	-	(400,000)
Total contractual outflows	(11,581,181)	(11,297,467)	(3,312,613)	(349,251)	-	-	(14,893,794)	(11,646,718)
Financial assets — cash flows realisable								
Cash and cash equivalents	679,878	2,907	-	-	-	-	679,878	2,907
Trade and other receivables	9,292,849	5,116,069	-	-	-	-	9,292,849	5,116,069
Other assets	159,999	119,025	-	-	-	-	159,999	119,025
Total anticipated inflows	10,132,726	5,238,001	-	-	-	-	10,132,726	5,238,001

Notes to the financial statements for the year ended 30 June 2019

NOTE 25: FINANCIAL INSTRUMENTS (continued)

(d) Interest Rate Risk

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2019:

	Weighted average interest rate %	Variable interest rate	Fixed Interest Rate Maturity		Non-interest bearing	Total
			Less than 1 year	2 to 5 years		
Year ended 30 June 2019						
Financial Assets						
Cash and cash equivalents	1.1	679,878	-	-	-	679,878
Current receivables	-	-	-	-	9,292,849	9,292,849
Other assets	1.9	159,999	-	-	-	159,999
		839,877	-	-	9,292,849	10,132,726
Financial Liabilities						
Trade and other payables	-	-	-	-	8,219,621	8,219,621
Bank and other loans	9.75	3,313,008	48,552	-	-	3,361,560
Borrowings from Moller Volantor - secured	10.0	-	-	900,000	-	900,000
Borrowings from Moller Volantor - unsecured	10.0	-	-	300,000	-	300,000
R&D Tax Incentive Payable	4.96	-	-	2,112,613	-	2,112,613
		3,313,008	48,552	3,312,613	8,219,621	14,893,794
Year ended 30 June 2018						
Financial Assets						
Cash and cash equivalents	2.3	2,907	-	-	-	2,907
Current receivables	-	-	-	-	5,116,069	5,116,069
Other assets		119,025	-	-	-	119,025
		121,932	-	-	5,116,069	5,238,001
Financial Liabilities						
Trade and other payables	-	-	-	-	5,396,530	5,396,530
Bank and other loans	9.55	1,662,639	113,479	49,251	-	1,825,369
Borrowings from Moller Volantor - secured	10.0	-	1,000,000	-	-	1,000,000
Borrowings from Moller Volantor - unsecured	10.0	-	200,000	300,000	-	500,000
R&D Tax Incentive Payable	4.7	-	2,524,819	-	-	2,524,819
Convertible Notes – unlisted	10.0	-	400,000	-	-	400,000
		1,662,639	4,238,298	349,251	5,396,530	11,646,718

Notes to the financial statements for the year ended 30 June 2019

NOTE 25: FINANCIAL INSTRUMENTS (continued)

(e) Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

NOTE 26: REMUNERATION OF AUDITORS

Auditors of the Parent Entity and Group entities

Amounts received or due and receivable by auditors for:

	2019	2018
	\$	\$
Audit or review of the financial report of the entity	112,760	96,500
Taxation services	60,570	60,000
	173,330	156,500

NOTE 27: EVENTS AFTER THE BALANCE SHEET DATE

The Group made a drawdown from Moller Volantor Pty Ltd, an entity related to Greg Jinks, under the pre existing secured and unsecured loan agreements (as detailed in note 14) to the amount of \$200,000.

Other than the above, the directors are not aware of any other matters or circumstances which have occurred subsequent to balance date, that may significantly affect the operations of the consolidated entity in future financial periods.

NOTE 28: OPERATING SEGMENT

The Group operates predominantly in Australia, in the lighting and audio-visual markets which is regarded as a single segment, hence there is no information on operating segments provided in this report.

DIRECTORS' DECLARATION**FOR THE FINANCIAL Year ended 30 June 2019**

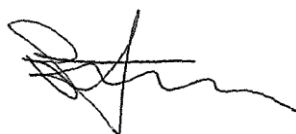
The directors declare that

1. In the director's opinion the financial statements and notes thereto, as set out on pages 9 to 35 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
 - (b) as stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
 - (c) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2019 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that Enevis Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ending 30 June 2019.

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

Peter Jinks
Director



Melbourne
30 August 2019

ENEVIS LIMITED
ABN 24 004 554 929

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ENEVIS LIMITED**

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

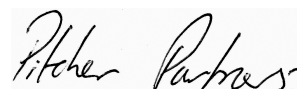
- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Enevis Limited and the entities it controlled during the year.



F V RUSSO
Partner

30th August 2019



PITCHER PARTNERS
Melbourne

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENEVIS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Enevis Limited (the Company) and its controlled entities (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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group 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 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) in the financial report, which indicates that the Group had cash outflows from operating activities for the year ended 30 June 2019 of \$2,771,977 (30 June 2018: \$508,490).

As stated in Note 1(e), these events or conditions, along with other matters as set forth in Note 1 (e), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENEVIS LIMITED

Key Audit Matter	How our audit addressed the key audit matter
<i>Going Concern basis of accounting</i> Refer to Note 1(e)	
<p>The Group had cash out flows from operating activities of \$2,771,977.</p> <p>The Directors have continued to adopt the going concern basis of accounting in preparing the financial statements, having taken account of;</p> <ul style="list-style-type: none">- Budget and cash flow projections which are based on increasing revenues;- The current growth phase of the technology division and expected future growth;- The availability of ongoing finance facilities;- The execution of agreement with the Australian Tax Office for repayment of Research and Development debt over a three (3) year timeframe <p>We consider the application of the going concern basis of accounting to be a key audit matter because of the range of potential indicators of uncertainty as outlined above, and the potential impact of applying the going concern basis of accounting incorrectly which could result in a significant impact on the presentation of the financial statements.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Obtaining an understanding of the controls relevant to determining the applicability of the going concern basis of accounting; and• Considering the adequacy of the financial report disclosures. <p>In relation to the Director's cash flow projections, we paid particular attention to the key assumptions and judgements made by the Directors. Our procedures in relation to these cash flow projections included, amongst others:</p> <ul style="list-style-type: none">• Confirming that the budget and cash flow forecast prepared by management was approved by the Board;• Applying sensitivities to the forecasts, in particular, key assumptions and judgements in relation to expenses and forecast growth in revenues;• Reviewing terms and availability of debt and finance facilities and checking compliance therewith, as well as applying sensitivities to timing of forecast debt repayments.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENEVIS LIMITED

Key Audit Matter	How our audit addressed the key audit matter
<i>Revenue Recognition</i>	
Refer to Note 1(n) and Note 5	
<p>The Group's revenue is primarily derived from the sale of products and provision of services in relation to audio-visual and lighting projects.</p> <p>Certain revenue is recognised based on the stage of completion of individual contracts, which is calculated based on the proportion of total costs incurred at the reporting date compared to management's estimation of total costs of the contract. The accurate recognition of this revenue is dependent on management estimates of the stage of completion of the contract.</p> <p>We consider revenue is a key audit matter because of its significance to profit, the high volume of revenue transactions associated with revenue and for certain contracts the management judgement that is required in recognising revenue.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Obtaining an understanding of the controls relevant to revenue recognition• Reviewing and testing a sample of journals impacting revenue• For a sample of revenue transactions from provision of services and sale of products, testing to supporting documentation including sales invoices, external order documentation and/or receipt of customer payments including assessing whether revenue has been recognised in the correct period• For a sample of revenue transactions for which revenue is recognised on a proportion of total costs incurred basis, testing that the calculations of costs incurred and costs to complete were based on support by:<ul style="list-style-type: none">- assessing the Group's estimated costs to complete by analysing any subsequent changes to cost estimates post year end; and- assessing management's estimates of total contract costs and recalculating the stage of completion based on actual costs incurred to date• Assessing the adequacy of disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENEVIS LIMITED

Key Audit Matter	How our audit addressed the key audit matter
<i>Carrying value of Goodwill</i>	
Refer to Note 12	
<p>At 30 June 2019 the Group's statement of financial position includes goodwill amounting to \$814,618 which related to one cash generating units (CGU).</p> <p>The appropriate identification of the CGU is considered a key audit matter because of the management assumption and estimation required to make this assessment.</p> <p>The assessment of potential impairment of the goodwill balance incorporates management's assumptions and estimation in respect of factors such as:</p> <ul style="list-style-type: none">• Forecast revenue• Forecast expenses• Forecast capital expenditure• Economic assumptions such as, discount rate, growth rate and terminal value growth rate. <p>A key audit matter for us was whether the Group's value-in-use model for impairment of goodwill included appropriate consideration and support for significant estimates and assumptions and the selection of key external and internal inputs.</p> <p>We consider the carrying value of goodwill a key audit matter because of the degree of subjectivity of estimates and assumptions involved in measuring the carrying value.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Assessing management's determination of the appropriate CGU based on our understanding of the nature of the Group's business and the economic environment in which it operates. Also reviewing the internal reporting of the Group to assess how earnings streams and groups of assets are monitored and reported;• Evaluating management's relevant controls and processes regarding valuation of the CGU to determine any potential impairment including the procedures around the preparation and review of the associated cash flow forecasts;• Challenging management's assumptions and estimates used to determine the recoverable value of goodwill, including those relating to forecast revenue, expenses and capital expenditure;• Checking the mathematical accuracy of the cash flow model;• Agreeing relevant data in the cash flow model to the latest forecast;• Assessing the historical accuracy of forecasting by the Group;• Performing sensitivity analysis in respect of the discount rate, growth rate and terminal value growth rate assumptions; and• Assessing the adequacy of disclosure in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the Chairman & Managing Directors' report, FY19 reflections & project insights, which is expected to be made available to us after that date.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENEVIS LIMITED**

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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENEVIS LIMITED

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Enevis Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

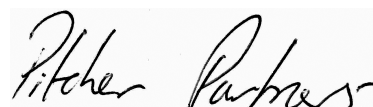
Responsibilities

The directors of the Company 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.



F V RUSSO
Partner

30th August 2019



PITCHER PARTNERS
Melbourne