Teaminvest Private Group Limited

(ASX:TIP)

ACN 629 045 736

Preliminary Financial Report

For the financial year ended 30 June 2019

Year in review

Financial year 2019 was a year of change for Teaminvest Private Group Limited (TIP).

We completed a transformational restructure and listed the company on the ASX. For many companies this would have been the result of years of hard work, yet our incredible teams at head office and in our Portfolio Companies achieved it all in under a year from concept to completion.

As CEO I am incredibly proud to work with people of this calibre and dedication. As a shareholder I feel exceptionally fortunate to own a small piece of the incredible businesses developed, delivered and continually improved by this group of exceptional managers and mentors.

Financial results at a glance

At TIP we take the view that shareholders, as the owners of our business, must be kept as informed as possible about our results.

To help you better understand your company, we report our results by Portfolio Company and as Statutory Comprehensive Income. Each has its benefits and disadvantages, so between them we think you can understand the business better. It may be overkill, but we would rather help you understand more than less about the company you own.

Portfolio Company results

This is the revenue and EBITDA for each Portfolio Company in which we invest. This measure provides shareholders with the most granular information about the operating performance of each business.

Whilst this is valuable in understanding the performance of each Portfolio Company, you should be aware that due to accounting rules around consolidation, ownership percentages and one-off gains and losses, it is not always true that aggregating Portfolio Company results will sum to our Statutory Comprehensive Income (**SCI**). This is discussed more below.

($m)	Revenue			EBITDA			
Company	**FY17**	**FY18**	**FY19**	**FY17**	**FY18**	**FY19**	**Operational highlight**
Engineering							
Coastal Energy	17.5	16.9	16.2	(0.2)	0.7	0.8	Successfully transitioned through retirement of founder
Graham Lusty Trailers	25.0	29.3	31.4	0.7	1.5	1.0	Developed two world first designs in waste management and suspension
DecoGlaze	6.1	6.7	5.1	0.3	0.9	0.2	Significantly automated factory to improve safety and increase production
Icon Metal	9.1	8.6	13.3	(1.3)	1.5	1.5	Successfully completed first major infrastructure project, opening a new market
Total	**57.7**	**61.6**	**66.0**	**(0.7)**	**4.6**	**3.5**	
Services							
East Coast Traffic	7.9	8.1	8.8	(0.2)	0.6	0.6	Commenced expansion after successful restructure
Colour Capital	9.4	10.3	11.1	2.4	2.9	1.9	Invested in growing franchisee network
Multimedia Technology	125.1	129.4	141.5	3.1	4.4	5.0	Improved management depth and opened new educational market
Kitome	11.1	13.8	14.7	0.0	0.9	0.7	Examining partnerships with mortgage lenders to accelerate growth
Total	**59.6**	**64.1**	**69.7**	**1.5**	**3.8**	**3.5**	

Note: Totals are aggregated based on relative proportional ownership.

Of particularly positive note are the efforts taken by the leadership team at Icon Metal (part of our Engineering division) during the year. I would like to publicly commend them and their board for their group focussed attitude and the efforts they have expended to develop an enhanced depth of leadership whilst enhancing moats and attacking new markets. Their focus on developing a mix of engineering and human moats has paid off in FY19 where they saw revenue growth of 55%, with profit gains expected to flow through in FY20 when jobs are completed.

The leadership team at East Coast Traffic (part of our Services division) also deserves praise for the cultural change they have enacted. Three years ago they inherited a business that was on the decline and losing money, with a damaged culture and a sense of futility. Today it is a dynamic business that is well on its way to delivering outstanding profit growth. Positive cultural change is not easy and I am particularly excited to see how this young leadership team have revitalised the business and created a great platform for rapid growth. Whilst profits were flat on FY18, we expect to see significant profit growth in FY20 and beyond as the company expands.

I would also like to mention the team at Multimedia Technology (MMT). Whilst MMT is only partly owned by TIP, and thus comes in “below the line”, the leadership and board of MMT have spent considerable effort this year in enhancing career prospects for staff and building the foundations of enhanced management capacity. Their profit growth of 14% for the year has reflected this and I think they are well on their way to achieving bigger and better things in coming years. In the year ahead I hope to see MMT’s people development strategies replicated across more and more of our group.

Graham Lusty Trailers (GLT), DecoGlaze and Colour Capital had a more challenging year in FY19.

GLT is a leading innovator in the logistics space. The incredible team of engineers at GLT continue to push the boundaries of what trailers can do. In FY19, significant investment in research and development (R&D) affected our bottom line as we developed, tested, prototyped and sold two new world firsts in trailer design. Not only were these brand new designs, with significant advantages for users, but they were for two new markets in trailer suspension and waste management. The potential to capitalise in these new markets is very exciting and we are hopeful that our world leading designs will result in substantial growth in the next few years as we begin to penetrate these new markets.

DecoGlaze, like GLT, is also an innovator. During FY19, the team at DecoGlaze automated the majority of their manufacturing process to improve health and safety outcomes and increase production capacity. We consider this investment in technology to be a very worthwhile use of funds, however the cost and distraction has had an impact on this year’s results. A new CEO, with a revitalised sales focus, was appointed to address the concerns this change exposed, and the run-rate at the end of FY19 appears to have things moving back in the right direction. We expect an improved FY20 will follow.

Colour Capital invested in building capacity in FY19, increasing revenue but at a decreasing margin as they scale up to size. Colour Capital is a franchise management business and they spent much of FY19 investing in an expanded team to assist franchisee development and to integrate new brands as they become available due to likely consolidation in the sector. Shareholders should be aware that there is a lag between franchise development and ultimate profit: first the franchisee must grow before Colour Capital’s earnings increase on the back of higher franchisee revenue. As revenue grows beyond the point of the higher costs, we expect to see Colour Capital return to (and exceed) their FY18 high.

Statutory Comprehensive Income

Statutory Comprehensive Income (**SCI**) is the profit accruing to the Company based on the relevant accounting standards. It encompasses consolidation accounting where we own 50% or more of a business, equity accounting where we own a substantial share of between 20% and 50%, and investment accounting where we own less than 20%.

As owners of the business, it is important that you are aware that SCI relates only to Teaminvest Private Group Limited. Anything that occurred prior to the restructure (under which TIP acquired the various shareholdings in the Portfolio Companies), is excluded. In FY19, this means SCI includes only a few months of revenue, coupled with the entirety of head office, restructure and IPO costs.

Whilst SCI is likely to be a good measure of the consolidated results of the Portfolio Companies in future years, the timing of the restructure and the application of accounting rules means that it provides a very limited picture in FY19.

I would urge shareholders to be aware of the limitations of SCI when considering this measure in comparison to the Portfolio Company results. The table below sets out our SCI for FY19, as well as a summary balance sheet. As TIP Group did not exist as an entity prior to FY19, we cannot present comparable figures for prior years.

($m)

P&L	**FY19**
Revenue	28.4
EBITDA	**(1.3)**
D&A	(0.3)
EBIT	(1.6)
Interest interest / (expense)	(0.1)
PBT	(1.8)
Tax	0.2
NPAT	(1.6)

($m)

Balance Sheet	**FY19**
Current assets	27.7
Non-current assets	78.0
Total assets	**105.7**
Current liabilities	19.9
Non-current liabilities	0.9
Total liabilities	**20.8**
Equity	**85.0**
Net cash / (debt)	1.5

One-off items affecting SCI this year

Restructure, IPO and consolidation expenses

The total cost of our IPO and restructure was $1.3m, and this is reflected in our FY19 statutory accounts. There were no fees paid to brokers to support the listing as we did not proactively encourage investment from outside our existing shareholder and customer base.

As part of the restructure, we incurred $1.6m of consolidation expense adjustments. These are non-cash profit reductions related to the application of tax and accounting rules around the restructure and consolidation. Slightly offsetting these one-off expenses, is a one-off consolidation gain of $0.4m due to related party debt write-offs that occurred as part of the restructure. The net difference of $1.2m sits within our statutory accounts for FY19.

We have chosen to take the full impact of the IPO and restructure in FY19 so we can present you with a clean set of accounts next year. It also has the added benefit of providing the group with a net carry forward tax loss of approximately $2.5m which we can utilise in the future.

FY20 windfall gain

As part of the restructure we have identified approximately $0.7m of cash unlocked with the unwinding of the old trust structure that will return to the group as a one-off gain in FY20. This does not appear in the FY19 Portfolio Company results or SCI.

Adoption of AASB15

The adoption of AASB 15 for the first time across the group resulted in substantial changes to the accounting policies adopted by our Portfolio Companies. In particular, AASB 15 adopts a significantly more conservative approach to how engineering companies must account for revenue on unfinished jobs when compared to traditional accrual accounting. As conservative investors, we believe that AASB 15 is a significant improvement on the prior system and we are pleased to see it adopted across our group.

The result of this change in policy is that $0.8m of profit that would, under the old standard, have been booked in FY19 across our Portfolio Companies has now been deferred to FY20. This reduces FY19 profits (both at our Portfolio Company results and SCI) but provides a "free kick" for next year.

Why is there no consolidated 'Pro Forma' result?

Astute readers will have noticed that my letter does not contain a consolidated 'Pro Forma' FY19 P&L that is directly comparable to the group results in our prospectus.

We had intended to provide a Pro Forma (or 'like for like') comparison to FY17 and FY18, but the accounting rules and audit process has prevented us from doing so without many lines of normalisations and adjustments. When confronted with reporting our results in this obtuse manner, we have taken the advice of Warren Buffett and Charlie Munger that owners should be wary of the second half of the first word in "underlying results".

Whilst we have not provided a Pro Forma P&L, I do not think shareholders would be too far off the mark if they simply summed our Portfolio Company results on a 'percentage owned' basis. This would not take into account head office, restructure and IPO costs, or other one-off gains, but as our Portfolio Companies present the vast bulk of our income and expenses in any year, an aggregation of them would be a reasonable "guesstimate" of group results on a continuing basis.

Personally, I am looking forward to FY20 where accounting rules will allow a much more meaningful presentation of our Statutory Comprehensive Income!

Year ahead

With our IPO complete, FY20 is expected to be a year of exciting development for the TIP Group.

We are confident that our outstanding Portfolio Company management and boards are looking forward to enhancing their businesses in FY20, aided by our new and improved listed structure. Our Portfolio Companies are led by great management and are supported by teams of volunteer Selected Shareholders who are focussed on mentoring them to new heights.

Some of these great teams delivered outstanding results in FY19, whilst others had challenges. My hope is that next year they will all have more ups than downs, but I also know that the world does not always work that way. It is impossible to predict the future, but I am confident that the hard work, great ethics and dedication of our growing team of business leaders will deliver long term success regardless of any bumps they experience in the road on the way.

At head office we have developed a great team who are devising new and exciting profit centres for the group, as well as continually examining new investment opportunities. During FY19 we considerably improved the financial assistance we can provide our portfolio companies via a corporate restructure and the employment of our new CFO Dean Robinson. Dean brings a wealth of knowledge to the group, and we are already seeing the benefit in those portfolio companies who have leaned on him for advice developing vastly streamlined and more profitable administrative processes.

We have also recently hired three outstanding young(er) business leaders to help Portfolio Companies develop new income streams. As it is still early in this process we don't think it is appropriate to say more, but we encourage you to stay tuned as I am sure these new executives will become a great asset to TIP and develop profitable new income streams.

In addition to growing our existing Portfolio Companies, we expect to recommence our acquisition path in FY20, aided by our new listed structure and an ever-growing team of Selected Shareholders. As owners of the business, we encourage you to look into this unique facet of our business and consider applying so that you too can pass on your knowledge to the next generation of outstanding Australian business leaders. Selected Shareholders can become involved in all stages of our investment cycle from initial analysis through to serving on Portfolio Company boards: it is a highly rewarding experience and I encourage you to consider if you would find it as enjoyable as we do.

Long term goals

Our mission at TIP is to facilitate the profitable transfer of knowledge between generations. To do this we partner with outstanding niche businesses and, through the provision of strategic advice, Selected Shareholders, and our balance sheet, assist them to develop as leaders and as companies.

Looking forward ten years we want to develop and grow an ever-increasing portfolio of entrepreneurial CEOs who think differently to their competition and enhance society whilst delivering outstanding profits. Whenever we look at acquiring a new business, or mentoring an existing one, we do so through a lens of growing management and business capability: our people and our moats.

Ten years from now I would like to see a group that:

- Has over 20 portfolio investments; with
- Substantially increased recurring profits; that
- Provides a growing and rewarding career opportunity for entrepreneurial, profit-driven, leaders.

The scale of this challenge is large. Today we have eight portfolio investments, and we have only just begun to examine group and divisional career development opportunities. It will require a mix of substantial organic growth from our outstanding existing businesses, as well as acquiring complementary new investments led by talented leaders who share our values. As we enable our best leaders to develop their skills and the areas they control, I expect to see our profits rising at an increasing rate. It won't be easy, but we have the foundation of a team of outstanding leaders that can deliver.

I expect you will ask why we have set such an ambitious goal. Our answer is that we believe continued growth is imperative to reward our shareholders for their support and to create space for outstanding leaders within our group to rise beyond their current roles. If we develop the skills of our people, whilst providing support and tools, then I have every confidence that we will meet our twin goals of intergenerational development and profit growth.

A final word

Whilst each year presents new challenges and opportunities, in the long run we are confident that a mix of successful management teams, surrounded by dedicated mentors, with access to our group philosophy and balance sheet will deliver outstanding results for the legacy of the businesses in which we invest, and reward our shareholders for their support.

I remind all of our shareholders that we are, at our core, a natural acquirer and developer of executives and SMEs. If you are the owner or leader of an SME, or know of one, who has reached a stage in their development where access to the mentorship, support and the balance sheet that TIP can provide will help you take your business to the next level, we would like to hear from you. Owners looking to sell out completely, or financial advisers looking to make a quick buck, need not apply.

I look forward to seeing as many of you as possible at our AGM or subsequent events.

Best wishes,

Andrew Coleman
CEO
Teaminvest Private Group Limited

1. Company details

Name of entity:	Teaminvest Private Group Limited
ABN:	74 629 045 736
Reporting period:	For the period ended 30 June 2019

2. Results for announcement to the market

The Group's results are for the 4 month period from 1 March 2019 to 30 June 2019 when the Company acquired the subsidiaries as listed in point 4 'Controls gained over entities' in this Appendix. From the date of incorporation on 26 September 2018 to 28 February 2019 the Company did not trade.

	$'000
Revenues from ordinary activities	28,387
Loss from ordinary activities after tax attributable to the owners of Teaminvest Private Group Limited	(1,624)
Loss for the period attributable to the owners of Teaminvest Private Group Limited	(1,624)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $1,624,000.

3. Net tangible assets

	Reporting period Cents
Net tangible assets per ordinary security	27.59

4. Control gained over entities

Name of entities (or group of entities)	Teaminvest Private Pty Ltd DecoGlaze Holdings Pty Ltd and controlled entities Lusty TIP Trailers Pty Ltd Icon Metal Pty Ltd Coastal Energy Pty Ltd East Coast Traffic Controllers Pty Ltd Kitome Pty Ltd
Date control gained	28 February 2019

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(1,089)

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding Reporting period %	Contribution to profit/(loss) (where material) Reporting period $'000
Colour Capital Pty Ltd	33.00%	(43)
Multimedia Technology Pty Ltd	30.00%	313
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)		
Profit/(loss) from ordinary activities before income tax		270

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited and an unmodified opinion is expected to be issued.

11. Attachments

Details of attachments (if any):

The Preliminary Final Report for the period from 26 September 2018 to 30 June 2019 is attached.

12. Signed

Signed ______________________________ Date: 29 August 2019

Katherine Woodthorpe
Independent Chair
Sydney

Teaminvest Private Group Limited

ABN 74 629 045 736

Preliminary Final Report for the period 26 September 2018 - 30 June 2019

Teaminvest Private Group Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2019

	Note	Consolidated Period from 26 Sep 2018 to 30 Jun 2019 $'000
Revenue		28,384
Share of profits of associates accounted for using the equity method		270
Other income		2
Interest revenue calculated using the effective interest method		3
Expenses		
Raw materials and consumables used		(14,255)
Employee benefits expense		(11,399)
Depreciation and amortisation expense		(323)
Impairment of receivables		(9)
Occupancy expense		(754)
Initial public offering ('IPO') listing expense		(1,266)
Other expenses		(2,291)
Finance costs		(144)
Loss before income tax benefit		(1,782)
Income tax benefit		158
Loss after income tax benefit for the period attributable to the owners of Teaminvest Private Group Limited		(1,624)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period attributable to the owners of Teaminvest Private Group Limited		(1,624)
		Cents
Basic earnings per share	10	(3.43)
Diluted earnings per share	10	(3.43)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 30 Jun 2019 $'000
Assets		
Current assets		
Cash and cash equivalents	4	6,694
Trade and other receivables		7,720
Contract assets		5,699
Inventories		7,497
Other		80
Total current assets		27,690
Non-current assets		
Investments accounted for using the equity method	5	17,499
Property, plant and equipment		4,198
Intangibles	6	54,334
Deferred tax		2,016
Total non-current assets		78,047
Total assets		105,737
Liabilities		
Current liabilities		
Trade and other payables		8,890
Contract liabilities		3,985
Borrowings		4,554
Income tax		1,051
Employee benefits		1,362
Provisions		20
Total current liabilities		19,862
Non-current liabilities		
Borrowings		598
Employee benefits		304
Total non-current liabilities		902
Total liabilities		20,764
Net assets		84,973
Equity		
Issued capital	7	86,597
Accumulated losses		(1,624)
Total equity		84,973

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

Teaminvest Private Group Limited
Statement of changes in equity
For the period ended 30 June 2019

Consolidated	Issued capital $'000	Retained profits $'000	Total equity $'000
Balance at 26 September 2018	-	-	-
Loss after income tax benefit for the period	-	(1,624)	(1,624)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(1,624)	(1,624)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 7)	86,597	-	86,597
Balance at 30 June 2019	86,597	(1,624)	84,973

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

	Note	Consolidated Period from 26 Sep 2018 to 30 Jun 2019 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		25,940
Payments to suppliers (inclusive of GST)		(31,611)
		(5,671)
Dividends received		167
Interest received		3
Other revenue		395
Interest and other finance costs paid		(144)
Income taxes paid		(391)
Net cash used in operating activities		(5,641)
Cash flows from investing activities		
Payment for purchase of subsidiary, net of cash acquired	8	5,351
Payments for investment in associates		(1,000)
Payments for property, plant and equipment		(751)
Payments for intangibles		(8)
Loans from/(to) related and other parties		(50)
Proceeds from disposal of property, plant and equipment		(16)
Net cash from investing activities		3,526
Cash flows from financing activities		
Proceeds from issue of shares	7	7,021
Repayment of borrowings		719
Proceeds from lease liabilities		(34)
Proceeds from invoice discounting		263
Net cash from financing activities		7,969
Net increase in cash and cash equivalents		5,854
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	4	5,854

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

Note 1. General information

The financial statements cover Teaminvest Private Group Limited as a Group consisting of Teaminvest Private Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the period (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Teaminvest Private Group Limited's functional and presentation currency.

Teaminvest Private Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1001A/53 Walker Street
North Sydney, NSW 2060

The Company was incorporated on 26 September 2018. On 24 May 2019, the Company was listed on the Australian Securities Exchange ('ASX') with the code 'TIP'.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments
The Group has adopted AASB 9 from incorporation date of 26 September 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from incorporation date of 26 September 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Basis of preparation

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Teaminvest Private Group Limited as at 30 June 2019 and the results of all subsidiaries for the period then ended. Teaminvest Private Group Limited and its subsidiaries.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on a fixed price.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Teaminvest Private Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Note 2. Significant accounting policies (continued)

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 2. Significant accounting policies (continued)

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate

Property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	over the term of the lease
Plant and equipment	1-10 years
Plant and equipment under lease	2-5 years
Motor vehicles	4 years

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

Note 2. Significant accounting policies (continued)

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 2. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Note 2. Significant accounting policies (continued)

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

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 and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Teaminvest Private Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into three operating segments as follows:

Segment name	Description
Corporate and managed investments segment	This includes the management and licensing of the Company's intellectual property and managing managed investments (being private equity investments not directly owned by the Company).
Engineering segment	The engineering segment includes four wholly owned subsidiaries of the Group: DecoGlaze Holdings Pty Ltd; Lusty TIP Trailers Pty Ltd; Icon Metal Pty Ltd; and Coastal Energy Pty Ltd.
Services segment	The services segment includes two wholly owned subsidiaries; East Coast Traffic Controllers Pty Ltd and Kitome Pty Ltd and two associate entities: Colour Capital Pty Ltd and Multimedia Technology Pty Ltd.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions
There were no intersegment transactions.

Intersegment receivables, payables and loans
There were no intersegment receivables, payables and loans.

Major customers
During the period ended 30 June 2019, the Group does not have sales to major customer.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - Period from 26 Sep 2018 to 30 Jun 2019	Corporate and managed investments $'000	Engineering $'000	Services $'000	Total $'000
Revenue				
Sales to external customers	-	20,211	7,796	28,007
Other revenue	-	165	215	380
Total revenue	-	20,376	8,011	28,387
EBITDA	(1,917)	151	448	(1,318)
Depreciation and amortisation	-	(240)	(83)	(323)
Interest revenue	-	1	2	3
Finance costs	-	(88)	(56)	(144)
Profit/(loss) before income tax benefit	(1,917)	(176)	311	(1,782)
Income tax benefit				158
Loss after income tax benefit				(1,624)
Material items include:				
Share of profits of associates	-	-	270	270
Assets				
Segment assets	84,946	14,814	3,961	103,721
Unallocated assets:				
Deferred tax asset				2,016
Total assets				105,737
Liabilities				
Segment liabilities	295	14,704	4,714	19,713
Unallocated liabilities:				
Provision for income tax				1,051
Total liabilities				20,764

Note 4. Current assets - cash and cash equivalents

	Consolidated 30 Jun 2019 $'000
Cash on hand	4
Cash at bank	6,352
Cash on deposit	338
	6,694

Reconciliation to cash and cash equivalents at the end of the financial period
The above figures are reconciled to cash and cash equivalents at the end of the financial period as shown in the statement of cash flows as follows:

Balances as above	6,694
Bank overdraft	(840)
Balance as per statement of cash flows	5,854

Note 5. Non-current assets - investments accounted for using the equity method

	Consolidated 30 Jun 2019 $'000
Investment in associates	17,499

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current financial period are set out below:

Opening carrying amount	-
Profit after income tax	270
Additions	17,396
Dividends paid	(167)
Closing carrying amount	17,499

Interests in associates
Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 30 Jun 2019 %
Colour Capital Pty Ltd*	Australia	33.00%
Multimedia Technology Pty Ltd**	Australia	30.00%

* On 28 February 2019, the Company purchased 33% of Colour Capital for a total consideration of $7,887,000. Colour Capital is a franchise management business and operates as franchisor of Raw Energy Café brand and master franchisor or GJ Gardner Homes (NSW, ACT and WA).

** On 28 February 2019, the Company purchased 30% of Multimedia Technology for a total consideration of $9,509,000. Multimedia Technology is an importer of information technology hardware to approximately 10,000 qualified resellers across Australia.

Note 6. Non-current assets - intangibles

	Consolidated 30 Jun 2019 $'000
Goodwill - at cost	54,124
Patents and trademarks - at cost	78
Software - at cost	172
Less: Accumulated amortisation	(40)
	132
	54,334

Note 6. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Goodwill $'000	Patents and trademarks $'000	Software $'000	Total $'000
Balance at 26 September 2018	-	-	-	-
Additions	-	8	-	8
Additions through business combinations (note 8)	54,124	70	172	54,366
Amortisation expense	-	-	(40)	(40)
Balance at 30 June 2019	54,124	78	132	54,334

Note 7. Equity - issued capital

	Consolidated 30 Jun 2019 Shares	Consolidated 30 Jun 2019 $'000
Ordinary shares - fully paid	111,046,693	86,597

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	26 September 2018	-		-
Issue of shares - founding shares	26 September 2018	1,000,000	$0.00	-
Issue of shares - acquisition of associates	28 February 2019	20,494,549	$0.80	16,396
Issue of shares - acquisition of subsidiaries	28 February 2019	75,016,233	$0.80	60,013
Issue of shares - convertible notes - acquisition of subsidiaries	28 February 2019	6,750,744	$0.47	3,167
Issue of shares - wholesale	24 May 2019	3,815,417	$0.80	3,052
Issue of shares - IPO	24 May 2019	3,969,750	$1.00	3,969
Balance	30 June 2019	111,046,693		86,597

Note 8. Business combinations

Acquisition of management entity

On 28 February 2019, the Company acquired 100% of the ordinary shares of Teaminvest Private Pty Ltd ('TIP') for the total consideration transferred of $14,400,000. The values identified in relation to the acquisition are provisional as at 30 June 2019. Valuation of the intangibles will be completed by 31 December 2019.

Acquisition of six portfolio entities

On 28 February 2019, the Company acquired 100% of the ordinary shares (directly or indirectly) of six portfolio entities below. The values identified in relation to the acquisition are provisional as at 30 June 2019. Valuation of the intangibles will be completed by 31 December 2019.

	DecoGlaze Fair value $'000	Lusty TIP Fair value $'000	Icon Metal Fair value $'000	Coastal Energy Fair value $'000	ECT Fair value $'000	Kitome Fair value $'000
Cash and cash equivalents	863	2,769	-	575	55	1,399
Trade receivables	300	369	860	2,299	1,418	346
Other receivables	2	89	-	-	-	1
Contract assets	-	-	5,356	35	-	50
Raw materials	74	-	30	-	-	-
Work in progress	23	5,360	-	270	-	-
Finished goods	30	1,834	-	253	-	20
Prepayments and other assets	2	97	21	-	22	61
Land and buildings	-	-	-	-	-	144
Leasehold improvements	-	32	52	-	-	80
Plant and equipment	423	358	183	229	992	78
Motor vehicles	29	217	156	696	35	23
Patents and trademarks	-	68	-	-	-	2
Software	94	-	-	-	-	78
Deferred tax asset	84	217	(11)	-	-	663
Trade payables	(121)	(3,631)	(457)	(1,256)	(272)	(952)
Other payables	(93)	(1,616)	(466)	(169)	(337)	(1,441)
Contract liabilities	(23)	(1,124)	(2,124)	(273)	-	(573)
Provision for income tax	(82)	(716)	268	(78)	223	(152)
Employee benefits	(193)	(562)	(228)	(177)	(36)	(347)
Warranty provision	-	(20)	-	-	-	-
Bank overdraft	-	-	(310)	-	-	-
Bank loans	-	-	-	-	(215)	-
Lease liability	-	(508)	(233)	(604)	(441)	-
Other liabilities	-	-	(1,330)	-	(83)	-
Net assets/(liabilities) acquired	1,412	3,233	1,767	1,800	1,361	(520)
Goodwill	6,425	9,869	8,518	4,168	2,753	7,995
Acquisition-date fair value of the total consideration transferred	7,837	13,102	10,285	5,968	4,114	7,475
Representing:						
Teaminvest Private Group Limited shares issued to vendor	7,837	13,102	10,285	5,968	4,114	7,475
Cash used to acquire business, net of cash acquired:						
Add: bank overdraft	-	-	310	-	-	-
Less: cash and cash equivalents	(863)	(2,769)	-	(575)	(55)	(1,399)
Net cash used/(received)	(863)	(2,769)	310	(575)	(55)	(1,399)

Note 9. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 30 Jun 2019 %
Teaminvest Private Pty Ltd	Australia	100%
DecoGlaze Holdings Pty Ltd and controlled entities:	Australia	100%
-DecoGlaze Pty Limited	Australia	100%
-Decoglaze Franchising Pty Ltd	Australia	100%
-Decoglaze Surface Cleaner Unit Trust	Australia	100%
-Decoglaze Surface Cleaner Pty Ltd	Australia	100%
-DecoGlaze Intellectual Property Pty Ltd	Australia	100%
Lusty TIP Trailers Pty Ltd	Australia	100%
Icon Metal Pty Ltd	Australia	100%
Coastal Energy Pty Ltd	Australia	100%
East Coast Traffic Controllers Pty Ltd	Australia	100%
Kitome Pty Ltd	Australia	100%

Note 10. Earnings per share

	Consolidated Period from 26 Sep 2018 to 30 Jun 2019 $'000
Loss after income tax attributable to the owners of Teaminvest Private Group Limited	(1,624)
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	47,309,367
Weighted average number of ordinary shares used in calculating diluted earnings per share	47,309,367
	Cents
Basic earnings per share	(3.43)
Diluted earnings per share	(3.43)

Note 11. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.