M8 Sustainable Limited
(formerly Starworks Enterprises Pty Ltd)
ACN 620 758 358
and its Controlled Entity

CONSOLIDATED FINANCIAL STATEMENTS

For the period 28 July 2017 (date of incorporation) to 30 June 2018

M8 SUSTAINABLE LIMITED
(FORMERLY STARWORKS ENTERPRISES PTY LTD)

CORPORATE DIRECTORY

Directors

Tomasz Rudas	(Appointed on 15 August 2017)
Damien Flugge	(Appointed on 15 August 2017)
Saithsiri Saksitthisereekul	(Appointed on 24 October 2018)
Charles Mackinnon	(Appointed on 15 August 2017, Resigned on 3 July 2018)
Colin Priestley Belton	(Appointed on 31 July 2017, Resigned on 15 August 2017)
Graeme Kenneth Matcham	(Appointed on 28 July 2017, Resigned on 31 July 2017)

Company Secretary
John Colli

Registered Office
Kensington Partners
Suite 2, 315 Bulwer Street,
Perth WA 6000

Principal Place of Business
Unit 1, 48 Kelvin Road,
Maddington WA 6109

Auditors
Ernst & Young
Ernst & Young Building,
11 Mounts Bay Road
Perth WA 6000

CONTENTS

The Directors present the consolidated financial report for M8 Sustainable Limited (formally Starworks Enterprises Pty Ltd) (the Company) and its controlled entity (the Group) for the financial period 28 July 2017 (date of incorporation) to 30 June 2018.

The financial report for the year ended 30 June 2018 was originally approved and issued by the Company on 18 February 2019. As a result of becoming aware of material errors which are detailed in Note 27 to the financial statements forming part of this report, the Directors resolved to reissue the financial report for the year ended 30 June 2018.

DIRECTORS

The names of the Directors that held office during or since the end of the financial period are detailed below:
Tomasz Jacek Rudas
Damien Craig Flugge
Saithsiri Saksitthisereekul
Charles William Mackinnon
Colin Priestley Belton
Graeme Kenneth Matcham

The qualifications and experience of the Directors are as follows:

Tomasz Jacek Rudas BSc (Hons), MBA (Appointed on 15 August 2017)
Managing Director

Mr Rudas has over 20 years of professional experience in the waste management industry during which he has gained extensive experience in many facets of waste management operations and business activities. His experience gained from working in the private sector for both small and large waste management organizations, as well as the local government in Perth, has given Mr Rudas a unique perspective of the commercial dynamics and opportunities in the waste management market.
He was also the founder and managing director of a public waste technology company AnaeCo Limited which under his leadership raised over $100M in equity and infrastructure funding and was successfully listed on the ASX in 2007. Mr Rudas was the Winner of the 2009 Ernst & Young Entrepreneur of the Year – Western Division in the Cleantech Category. Mr Rudas' comprehensive professional profile is available on the LinkedIn website.

Damien Craig Flugge (Appointed on 15 August 2017)
Executive Director/ Business Development Manager

Mr Flugge was a founder of Starworks Enterprises Pty Ltd with over 20 years' experience in management and operational roles. He has extensive and diverse business and operational background from involvement in the family farming operations, to development, management and ownership of various hospitality ventures in Australia and overseas.

Siathsiri Saksitthisereekul MBA (Appointed 24 October 2018)
Non- Executive Director

Mr Saksitthisereekul holds an Executive Masters of Business Administration from the National Institute of Development Administration (NIDA). He has 11 years experience in the renewable energy sector and is the CEO of SBANG Sustainable Energies Limited. SBANG is an integrated renewable energy company based in Thailand and its core business is to build, own and or operate waste-to-energy and biomass power plants in Thailand

Charles William Mackinnon (Appointed on 15 August 2017)
Non- Executive Director (Resigned on 3 July 2018)

Mr Mackinnon started his career as a practising accountant before moving into investment banking. He has extensive senior management and board level experience in a range of industries including chairing government reviews and operating bodies. He is currently a Director of Lothbury Advisory Services which focuses on mergers and acquisitions as well as capital and debt raising.

Colin Priestley Belton (Appointed 31 July 2017)
Non- Executive Director (Resigned 15 August 2017)

Mr Belton is a practicing accountant with the firm 4C Consulting

Graeme Kenneth Matcham (Appointed 28 July 2017)
Non-Executive Director (Resigned 31 July 2017)

Mr Matcham is a chartered accountant carrying on business as an independent practitioner.

COMPANY SECRETARY

For the financial period ended 30 June 2018, the Company had not appointed a person to the position of Company Secretary. Since the end of the financial period and upon the Company changing its status from a proprietary company to that of a public company, a Company Secretary was appointed.

Mr. John Colli was appointed to the position of Company Secretary on 10 December 2018. Mr Colli has over 30 years' experience in secretarial activities of ASX listed companies including being the former company secretary of Coventry Group Ltd (ASX: CYG) for 17 years and the former ASX listed company Challenge Bank Limited.

PRINCIPAL ACTIVITIES

The principal activity of the Group, during the financial period, was the provision of operations and maintenance services to the Brockwaste recycling facility which is owned by Star Shenton Energy Pty Ltd (SSE). The Group also pursued opportunities to source funds to acquire assets to establish a waste recycling operation. In April 2018 the Company acquired the assets of Aurigen Group Ltd which included a waste recycling facility in Maddington WA (Maddington Facility) and 100% of the share capital of the entity Fernview Environmental Pty Ltd ACN 617 674 469 (Fernview).

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

For the period from 28 July 2017 (date of incorporation) to 30 June 2018, the group incurred a loss after tax of $1,779,198.

During the financial period, the Company entered into an operations and maintenance contract with SSE following the Company's assistance to SSE in identifying an investment opportunity. The Company has carried out various activities on behalf of SSE which included negotiating the terms with vendors, organising physical inspection, valuation of the property and legal due diligence.

The Company's revenue consists of a fee for assisting SSE in acquiring and re-commissioning its plant and a monthly fee for operating and managing its business.

The Maddington Facility required remediation and as a consequence the Group did not generate any revenue from this site. The Group's subsidiary, Fernview, the owner of an undeveloped landfill site at Gingin WA, also did not generate any revenue. The Company incurred expenses for the maintenance and remediation of the Maddington Facility.

Corporate

The Company was formed with the purpose of acquiring the Maddington assets and a freehold site for a proposed landfill facility located in Gingin WA (Gingin Facility). The Company acquired the assets situated at Lots 280 and 281 Kelvin Road Maddington WA and Fernview pursuant to the Asset Sale Agreement and Business Sale Agreement with the administrators of Aurigen Group Ltd.

The Company agreed to purchase the debt due by Aurigen Group Ltd and Cityscore Pty Ltd to Sunset Capital Pty Ltd for an amount of $3,410,000 securing a first ranking general security agreement against Aurigen Group Ltd. The amount due to Sunset Capital Pty Ltd was subsequently settled by SSE on behalf of the Company.

An agreement was signed with SSE on 9 August 2017 to borrow $4,500,000. As at the balance sheet date, an amount of $1,333,813 remained outstanding.

The assets at the Maddington Facility were acquired from the administrators of Aurigen Group Ltd pursuant to an Asset Sale Agreement dated 21 November 2017. The Company also secured the balance of a 10 year lease (with two further options to extend the lease for 5 years each) assigned from the landlord of the vendor through a Deed of Assignment. The Maddington Facility required remediation work and a detailed capital and operational expense forecast has been submitted to shareholders. The Company has identified various steps involved in the remediation plan and work has commenced.

The Company also acquired the share capital of Fernview from the administrators of Aurigen Group Ltd pursuant on a Share Purchase Agreement dated 21 November 2017

The Company's Maddington Facility is licensed by the Western Australian Department of Water and Environmental Regulation pursuant to the Environmental Protection Act 1986 to allow up to 500,000 tonnes of waste to be processed annually.

SBANG Sustainable Energies Limited (SBANG) and the Company entered into a Secured Loan Agreement on 7 February 2018 for a facility of $10,000,000. The majority of the funds were utilized to acquire the assets mentioned above and to provide working capital for the Company.

The Company also raised $1.1 million from Quantum Asset Management Pty Ltd and Platinum Mortgage Securities Pty Ltd. These are short term loans and have been disclosed as current liabilities.

There were no other significant changes in the nature of the Group's business activities during the financial period. Other than as disclosed in the financial statements, no matters have arisen since the end of the financial period which significantly affect or may significantly affect the operations of the Group, the results of the operations or the state of affairs of the Group in future years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

All significant changes in the state of affairs of the Group during the financial period are discussed in detailed above under corporate and below under events arising since the end of the reporting period.

DIVIDEND PAID OR RECOMMENDED

During the financial period, the Group did not declare or pay any dividends.

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

SBANG loan facilities

On 15 July 2018 SBANG provided the Company with a loan facility of $4,000,000. The loan accrues interest at 10% per annum.

On 15 November 2018 the Company issued SBANG with convertible notes totaling $6,000,000. The loan accrues interest at 10% per annum. The conversion of the principal to shares shall occur upon the Company's successful Initial Public Offer ("IPO"). The SBANG debt is secured against the Group's property, plant and equipment.

On 10 July 2019 the Company issued 51,282,051 fully paid ordinary shares at $0.156 per share representing partial repayment of $8,000,000 of the loan facility with SBANG.

SBANG provided a new $4,000,000 loan facility on 3 September 2019. The loan will be interest bearing at 10% p.a. and has a two year term.

IPO Mandate

On 10 August 2018 the Company executed a mandate with Patersons Corporate Finance to act as a Lead Manager for an Initial Public Offering (IPO)

Company name and status

On 6 December 2018 the Company changed its name from Starworks Enterprises Pty Ltd to M8 Sustainable Ltd and amended its status from a proprietary company to that of a public company. This also required the adoption of a new Constitution which was approved at a General Meeting of shareholders.

Issue of Director Shares

On 3 May 2019, the Company issued 500,000 fully paid ordinary shares to Lothbury Advisory Pty Ltd to settle an obligation to Charles Mackinnon associated with his services as Company Director.

Issue of Related Party Shares

On 3 May 2019, the Company issued 8,351,526 fully paid ordinary shares to Flugge Superannuation Fund, with a total value of $1,302,838 in settlement of the Company's obligation associated with the business combination. The difference between the liability at 30 June 2018 and the value of the shares issued was recognised after the period end as an expense on settlement of the liability.

Issue of Promoter Shares

During the period 3 May 2019 to 28 August 2019 the Company issued a total of 22,744,963 fully paid ordinary shares for nil consideration to promoters of the Company, which included 7,115,038 issued to SBANG

Change of External Auditor

In June 2019 Ernst & Young were appointed as the Company's external auditor following the resignation of Stantons International Audit and Consulting Pty Limited.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company is in the process of evaluating various scenarios to raise further capital to complete the construction of the Gingin Facility.

ENVIRONMENTAL REGULATIONS

The Group's operations are subject to environmental regulations under Western Australian law. The Group has procedures in place to ensure regulations are adhered to. As at the date of this report the Group is not aware of any breaches in relation to environmental matters.

PROCEEDINGS ON BEHALF OF COMPANY

No legal proceedings have been brought against the Group as at the date of this report.

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's board of directors and sub- committees held during the financial period ended 30 June 2018 and the number of meetings attended by each director.

Board Member	Board Meetings	
	Entitled to Attend	Attended
Tomasz Rudas	10	10
Damien Flugge	10	10
Charles Mackinnon	10	8
Colin Belton	2	2
Graeme Matcham	2	2

UNISSUED SHARES UNDER OPTIONS

For the financial period and as at the date of this report, there were no unissued shares of the Company under options.

INSURANCE OF OFFICERS

For the financial period the Company did not have any contracts in place insuring the directors and officers of the Company against liabilities incurred in those capacities.

AUDITOR'S INDEMNIFICATION

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 12 of this financial report.

Signed in accordance with a resolution of the Directors.

Tomasz Rudas
Director

Dated this 5th day of September 2019
Perth, Western Australia

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The revised consolidated financial statements and notes thereto replace the original consolidated financial statements for the period from 28 July 2017 (date of incorporation) to 30 June 2018 approved by the Directors on 18 February 2019;

2. In the Directors' opinion, the attached revised consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position of the Group as at 30 June 2018 and performance of the Group for the financial period 28 July 2017 (date of incorporation) to 30 June 2018; and

3. In the Directors' opinion subject to the matters set out in Note 2(a)(ii), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Tomasz Rudas
Director

Dated this 5th day of September 2019

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Western Australia

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Independent Auditor's Report to the Members of M8 Sustainable Limited (formerly Starworks Enterprises Pty Ltd)

Opinion

We have audited the financial report of M8 Sustainable Limited (the Company) and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 28 July 2017 (date of incorporation) to 30 June 2018, 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:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the period from 28 July 2017 (date of incorporation) to 30 June 2018 ended on that date; and

b) 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 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 2(a)(ii) in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions 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.

Revision of financial statements

Without qualification to the opinion expressed above, attention is drawn to Note 27 to the financial statements. For the reasons fully described in that note, the previously issued financial report of M8 Sustainable Limited for the period from 28 July 2017 (date of incorporation) to 30 June 2018 has been revised. Accordingly, this audit report replaces the audit report dated 18 February 2019 in which the previous auditors originally reported on the financial report for the for the period from 28 July 2017 (date of incorporation) to 30 June 2018.

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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 judgment 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.

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.

Ernst & Young

Robert A Kirkby
Partner
Perth, Western Australia
5 September 2019

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Auditor's Independence Declaration to the Directors of M8 Sustainable Limited (formerly Starworks Enterprises Pty Ltd)

As lead auditor for the audit of the financial report of M8 Sustainable Limited (formerly Starworks Enterprises Pty Ltd) for the period from 28 July 2017 (date of incorporation) to 30 June 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of M8 Sustainable Limited and the entities it controlled during the financial period.

Ernst & Young

Robert A Kirkby
Partner
5 September 2019

RK:DA:M8:015

M8 SUSTAINABLE LIMITED (FORMERLY STARWORKS ENTERPRISES PTY LTD) AND ITS CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 28 JULY 2017 (DATE OF INCORPORATION) TO 30 JUNE 2018

	Notes	28 July 2017 to 30 June 2018 $
Revenue	3	1,804,577
Bargain purchase gain on business combination	19	1,863,312
Other income		9,962
Total income		**3,677,851**
Employee benefits, salaries and wages		(2,807,003)
Rent expense		(540,080)
Depreciation of property, plant and equipment	8	(109,015)
Finance costs		(668,486)
Bad debts written-off	7	(281,213)
Insurance costs		(132,247)
Professional fees		(261,160)
Acquisition transaction costs		(520,666)
Other expenses		(189,289)
Loss before income tax		**(1,831,308)**
Income tax benefit	5	52,110
Loss after tax		**(1,779,198)**
Other comprehensive income:		-
Total comprehensive loss for the period attributable to the equity holders of the Group		**(1,779,198)**

	Notes	
Earnings per share:		
• Basic, loss for the period attributable to ordinary equity holders of the parent (dollars per share)	4	(14,234)
• Diluted, loss for the period attributable to ordinary equity holders of the parent (dollars per share)	4	(14,234)

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	30 June 2018 $
CURRENT ASSETS		
Cash and cash equivalents	6	72,571
Trade and other receivables	7	-
Prepayments		55,849
Total Current Assets		**128,420**
NON-CURRENT ASSETS		
Property, plant and equipment	8	14,556,185
Total Non-current Assets		**14,556,185**
TOTAL ASSETS		**14,684,605**
CURRENT LIABILITIES		
Trade and other payables	9	1,161,749
Provisions	10	615,376
Borrowings	11	13,690,556
Total Current Liabilities		**15,467,681**
NON-CURRENT LIABILITIES		
Provisions	10	74,918
Deferred tax liabilities	5	687,328
Total Non-current Liabilities		**762,246**
TOTAL LIABILITIES		**16,229,927**
NET LIABILITIES		**(1,545,322)**
SHAREHOLDERS' DEFICIT		
Issued capital	12	125
Shared based payment reserve	25	233,751
Accumulated losses		(1,779,198)
TOTAL SHAREHOLDERS' DEFICIT		**(1,545,322)**

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements.

M8 SUSTAINABLE LIMITED
(FORMERLY STARWORKS ENTERPRISES PTY LTD)
AND ITS CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 28 JULY 2017
(DATE OF INCORPORATION) TO 30 JUNE 2018

	Issued Capital	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$
Loss after tax	-	-	(1,779,198)	(1,779,198)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the period	-	-	**(1,779,198)**	**(1,779,198)**
Share based payments	-	233,751	-	233,751
Shares issued	125	-	-	125
Balance as at 30 June 2018	**125**	**233,751**	**(1,779,198)**	**(1,545,322)**

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements.

M8 SUSTAINABLE LIMITED
(FORMERLY STARWORKS ENTERPRISES PTY LTD)
AND ITS CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2018

	Notes	28 July 2017 to 30 June 2018
		$
Cash flows from operating activities		
Loss after income tax		(1,779,198)
Adjustment for:		
Non-cash items:		
Depreciation of property, plant and equipment		109,015
Loss on disposal of property, plant and equipment		8,497
Interest expense		668,487
Non-cash director benefits		150,000
Bad debts written off		233,344
Share based payment expense	14, 25	233,751
Bargain purchase gain on business combination	19	(1,863,312)
Trade receivable settled against loan payable		(1,689,603)
Changes in assets and liabilities:		
Increase in prepayments		(42,150)
Increase in trade payable and other payables		960,983
Increase in provisions		690,294
Increase in deferred tax liabilities		(52,110)
Net cash used in operating activities		**(2,372,002)**
Cash flows from investing activities		
Net cash paid for business combination	19	(1,177,460)
Advances to Fernview prior to gaining control of the entity		(6,442,273)
Proceeds from repayment of non cash advance		615,624
Purchase of property, plant and equipment		(312,789)
Proceeds from sale of fixed assets		24,292
Net cash used in investing activities		**(7,292,606)**
Cash flows from financing activities		
Proceeds from issue of shares	12	125
Proceeds from short term loans	11	1,022,107
Proceeds from related company loan	11	4,979,762
Proceeds from SBANG Sustainable Energies Ltd loan	11	8,655,000
Repayment of short term loans	11	(151,555)
Repayment of amount due to related company	11	(4,178,479)
Repayment of SBANG Sustainable Energies Ltd loan	11	(500,000)
Interest paid		(89,781)
Net cash generated from financing activities		**9,737,179**
Net increase in cash and cash equivalents		72,571
Cash and cash equivalents at the date of incorporation		**-**
Cash and cash equivalents at the end of the financial period	6	**72,571**

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements

Note 1. General Information

This financial report, which covers the consolidated financial statements for the Group consisting of M8 Sustainable Limited (the "Company" or the "Parent") and its subsidiaries, was authorised for issue in accordance with a resolution of the Directors on 4 September 2019. For the reasons set out in note 27 below, this financial report as at 30 June 2018 and for the period then ended replaces the original financial report approved by the directors on 28 February 2019.

M8 Sustainable Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is Kensington Partners, Suite 2, 315 Bulwer Street, Perth WA 6000 and principal place of business is Unit 1, 48 Kelvin Road, Maddington WA 6109.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

The Company was incorporated on 28 July 2017. Accordingly, no comparative financial information has been presented in the consolidated financial statements.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies

a) Basis of preparation

(i) Compliance statement

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Corporations *Act 2001* Australian Accounting Standards and Interpretations of the Australian Accounting Standard Board and in compliance with International Financial Standards ("IFRS"). The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards. Material accounting policies adopted in the preparations of the financial statements are presented below.

The consolidated financial statements have been prepared on a historical cost basis.

(ii) Going Concern

The consolidated financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

For the financial period ended 30 June 2018, the Group incurred a loss after tax from continuing operations of $1,779,198 and net operating cash outflow of $2,372,002. As at 30 June 2018, the Group had net current liabilities of $15,339,261 and a shareholders' deficit of $1,545,322.

The Group's ability to continue as a going concern is dependent upon its ability to generate positive cash flows through its business operations, and its ability to raise further equity or debt financing. The Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- On 15 July 2018 a further loan facility of $4,000,000 was provided to the Company from SBANG.
- On 15 November 2018 a convertible note facility of $6,000,000 was provided to the Company from SBANG.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

a) Basis of preparation (continued)

(ii) Going Concern (continued)

- $8,000,000 of the outstanding debt to SBANG was converted to ordinary shares on 10 July 2019 which has reduced the Group's debt and net current liability position.
- SBANG continues to support the Group meet its funding requirements. SBANG provided a new $4,000,000 loan facility on 3 September 2019. The loan will be interest bearing at 10% p.a. and has a two year term.
- The Company is planning to undertake an Initial Public Offer ("IPO") in September to raise $16,500,000 with oversubscriptions up to a further $3,500,000.
- Upon the successful IPO, SBANG has agreed to convert the remaining balance of the SBANG loan and convertible note (up to a maximum of $7,600,000) into a maximum of an additional 48,717,949 Shares upon the Company's admission to the Official List of ASX.
- The remaining SBANG loan principal and interest of approximately $4,400,000 outstanding at the date of the IPO shall be repaid using the funds raised by the Company under the IPO
- The Company re-opened its facility in Maddington on 1 July 2019. The Company has been scaling up operations at the Maddington Facility with the objective of full operational capacity over the next 3-6 months as it continues to market its services to the waste management sector.

Should the Group not achieve the matters set out above, there is uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(iii) New and amended accounting standards and interpretations issued but not yet effective

In preparing the consolidated financial statements the Group has applied all Australian Accounting Standards and interpretations effective as at the date of incorporation of the Company.

A number of new and amended accounting standards and interpretations issued but not yet effective have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 15: *Revenue from Contracts with Customers* (AASB 15) - applicable to the annual reporting period commencing 1 July 2018.

AASB 15 replaces all existing revenue requirements in Australian Accounting Standards including AASB 118 *Revenue* and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 *Leases* (or AASB 16 *Leases*, once applied).

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

a) Basis of preparation (continued)

(iii) New and amended accounting standards and interpretations issued but not yet effective (continued)

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Group plans to adopt the new standard using the modified retrospective approach. The Group has formed a view that the new standard will not have a material impact on the Group at the date of initial application of the Standard.

AASB 16: *Leases (AASB16)* - applicable to the annual reporting period commencing on 1 July 2019.

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

The main changes introduced by the new Standard are as follows:

- recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciating the right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The Group will adopt AASB 16 using the modified retrospective method, recognising right of use assets equivalent to the lease liability at transition. The Group will elect to use the exemptions allowed for lease contracts for which the lease terms ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value. The timing of recognition of costs will be brought forward as a result of higher interest expense in the earlier years of the leases.

Based on the current assessment right of use assets and lease liabilities with a value of between $7,400,000 - $7,700,000 will be recognised at 1 July 2019. As a result of the timing of recognition of interest and depreciation compared to the lease payments, an additional expense estimated to be approximately $285,000, will be recognised for the year ended 30 June 2020.

AASB 9: *Financial Instruments* (AASB 9) - applicable to the annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

a) Basis of preparation (continued)

(iii) New and amended accounting standards and interpretations issued but not yet effective (continued)

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items.

The adoption of AASB 9 may impact the classification of certain financial assets of the Group but will not have a material impact on the measurement of financial instruments at the date of initial application.

b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiary as at 30 June each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the controlled entity and has the ability to affect those returns through its power over the investee. The Company's controlled entity has a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of controlled entity have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

c) Business Combinations

The Group applies the acquisition method in accounting for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (NCI) in the acquiree. Acquisition costs are expensed as incurred.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

d) Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of the Company and its subsidiary is Australian dollars (A$).

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date.

All exchange differences are taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

e) Revenue

Revenue is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from the rendering of a service is recognised over time as the services are performed.

Interest income is recognised as interest accrues using the effective interest method.

f) Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in profit and loss on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

g) Employee benefits

Wages, salaries and other short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, accumulating sick leave and other short term benefits expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Superannuation

Contributions made by the Consolidated Entity to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

h) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The Group is not consolidated for tax purposes.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

h) Income tax (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation

The Group implemented a tax consolidation on 13 April 2018.

The parent company and subsidiary continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the subsidiary.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

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 Group. Details of the tax funding agreement are disclosed in note 5.

i) Good and Services Tax (GST)

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

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

i) Good and Services Tax (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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flows.

j) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash on hand, deposits held at call with banks that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents are as described above.

k) Trade and other receivables

Trade receivables, which generally have 30 day terms, are initially recognised at original invoice amount. Other receivables are initially measured at fair value. Subsequent to initial recognition trade and other receivables are carried at amortised cost less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

l) Property, plant and equipment

Property, plant and equipment is stated at cost less any accumulated depreciation and impairment. In the event the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

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

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

l) Property, plant and equipment (continued)

Depreciation

The depreciable amount of fixed assets is depreciated on a straight-line (SL) basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of the lease term and the useful life of the asset. The following depreciation rates were applied during the financial period:

• Mobile plant	20% SL
• Fixed plant	6% SL
• Office equipment	25% SL
• Motor vehicles	20% SL

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

m) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the quarter which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables and other payables are carried at amortised cost and due to their short-term nature they are not discounted.

n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of the time to prepare for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Capitalisation of borrowing costs is suspended during periods where there is no active development of a qualifying asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

q) Contributed equity

Ordinary shares are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Distributions on ordinary shares are recognised as a liability in the period in which they are declared.

r) Share-based payments

Equity settled transactions

Where employees are granted share-based payments, the cost of equity-settled transactions is determined at the grant date. Where the fair value of the equity instruments granted cannot be reliably estimated, the Group measures the equity instruments at their intrinsic value, initially at the grant date and subsequently at the end of each reporting period and at the date of final settlement, with any change in intrinsic value recognised in profit and loss.

The amount recognised as an expense during the vesting period is based on the number of equity instruments expected to vest. The Group revises that estimate is subsequent information indicates that the number of rights expected to vest differs from the previous estimate. On vesting date, the Group revises the estimate to the number of rights that ultimately vest. After the vesting date, the Group reverses the amount recognised if the rights are subsequently forfeited, or lapse.

Cash settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using an appropriate valuation model.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

s) Convertible notes

Convertible notes are separated into liability and equity components based on the terms of the contract. On issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible note based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

t) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful life of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected useful life of the assets. Uncertainties in estimates include assessing the impact of the Group's operating environment and technical and other forms of obsolescence.

Impairment of non-current assets

In assessing impairment, management estimates the recoverable amount of each assets or cash-generating unit based on expected future cash flows and uses interest rate to discount them (where applicable). Estimation uncertainty relates to assumptions about the expected future cash flows from operating results, the determination of a suitable discount rate used for the DCF model and the growth rate used for extrapolation purposes.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised (see Note 5).

	28 July 2017 (date of incorporation) to 30 June 2018
	$

Note 3 Revenue and expenses

Operations and maintenance (O&M) service fee	**1,804,577**

All revenue from contracts with customers for the current period relates to services provided to a related party in the renewable energy industry.

Note 4 Earnings per share

The following table reflects the data used in the calculation of the basic and diluted earnings / (loss) per share:

	2018 Number
Weighted average number of ordinary shares used in the calculation of basic earnings / (loss) per share	125
Weighted average number of ordinary shares used in the calculation of diluted earnings / (loss) per share	125
	$
Profit / (loss) attributable to ordinary the equity holders of the Company	**(1,779,198)**
	Number
The estimated number of potential ordinary shares on issue but not included in the diluted earnings / (loss) per share as they are anti-dilutive or contingently issuable	11,360,759

Refer note 26 for ordinary share and potential ordinary share transactions that have occurred after the reporting period.

Note 5 Income tax

	28 July 2017 (date of incorporation) to 30 June 2018
The components of income tax expense /(benefit) comprise:	**$**
Current income tax	
Current income tax benefit	-
Deferred income tax	
Deferred tax benefit relating to the origination and reversal of temporary differences	(52,110)
Income tax benefit reported in the consolidated statement of profit or loss and the other comprehensive income	**(52,110)**

Note 5 Income tax (continued)

	28 July 2017 (date of incorporation) to 30 June 2018 $
Relationship between income tax expense/(benefit) and accounting loss:	
Loss before income tax	(1,831,308)
At the statutory income tax rate of 27.5%	(503,610)
Non-assessable income	(512,411)
Other adjustments	95,843
Deferred tax assets not recognised	868,068
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	**(52,110)**
Deferred tax Liabilities	
Property, plant and equipment	671,716
Other deferred tax liabilities	15,612
Deferred tax liabilities	**687,328**

Estimated tax losses of $928,075 (tax effected), including tax losses transferred with the acquired subsidiary, have not been recognised as an asset as there is uncertainty that the amounts will be available to offset deferred tax liabilities and future taxable income.

	30 June 2018 $
Note 6 Cash and cash equivalents	
Cash on hand and at bank	**72,571**
Note 7 Trade and other receivables	
Other receivables	281,213
Less: receivables written-off	(281,213)
Other receivables	-

Trade and other receivables are non-interest bearing and are generally on 30 to 90 days.

At the reporting date, receivables written-off relate to amounts due from Aurigen Group Ltd ($233,345) and First recycling Pty Ltd. ($18,000) which are both under voluntary administration and Jade Metal ($31,818) which was written-off after several attempts to recover the amounts due were unsuccessful.

		30 June 2018 $
Note 8	**Property, plant and equipment**	
	Land	
	Gross carrying amount at cost	9,200,000
	Mobile plant	
	Gross carrying amount at cost	882,500
	less: Accumulated depreciation	(42,928)
		839,572
	Fixed plant	
	Gross carrying amount at cost	4,482,200
	less: Accumulated depreciation	(60,452)
		4,421,748
	Office equipment,	
	Gross carrying amount at cost	25,500
	less: Accumulated depreciation	(1,381)
		24,119
	Motor vehicles,	
	Gross carrying amount at cost	75,000
	less: Accumulated depreciation	(4,254)
		70,746
	Total property, plant and equipment	
	Gross carrying amount at cost	**14,665,200**
	less: Accumulated depreciation	(109,015)
	Carrying amount as at 30 June 2018	**14,556,185**

Reconcilation of net book value:

	Land	**Mobile plant**	**Fixed plant**	**Office equip-ment**	**Motor vehicles**	**Total**
Acquisition via business combination	9,200,000	797,500	4,362,200	25,500		14,385,200
Purchases	-	85,000	120,000	-	107,789	312,789
Disposals	-	-	-	-	(32,789)	(32,789)
Depreciation charge	-	(42,928)	(60,452)	(1,381)	(4,254)	(109,015)
Net carrying amount	9,200,000	839,572	4,421,748	24,119	70,746	**14,556,185**

All property of the Company and its controlled entity is encumbered to secure borrowings – see note 11.

		30 June 2018 $
Note 9	**Trade and other payables – current liabilities**	
	Trade payables (i)	91,522
	Cash settled share based payment – at fair value	73,203
	Accrued and other payables (ii)	997,024
	Total trade and other payables	**1,161,749**

(i) Trade payables represent the liability for the goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days.

(ii) Other payables include:

- $260,926 relating to indemnities provided to Directors in respect of Australian Tax Office penalty notices for unpaid superannuation guarantee payments for companies within the Aurigen group from which M8 Sustainable Limited acquired both the Maddington Facility and Fernview.

Note 10 Provisions

Current	
Employee provisions	**615,376**
Non Current	
Restoration obligation	**74,918**
Reconciliation of movement	
Opening balance at beginning of period	-
Balance recognised on acquisition of subsidiary	74,918
Closing balance	**74,918**

Restoration obligation

A provision has been recognised for the cost of environmental obligations at the Maddington Facility.

		30 June 2018 $
Note 11	**Borrowings**	
	Short term borrowings (i)	942,986
	Amount due to related company (ii)	1,333,813
	Amount due to related party (iii)	989,276
	SBANG Loan (iv)	10,274,481
	Loan from shareholder (v)	150,000
		13,690,556

(i) Amount due to vendors consists of the following:

- Amounts payable to Quantum Asset Management Pty Ltd and Platinum Mortgage Securities Pty Ltd under two mortgage facilities of $808,125 and $104,440 which are short-term (repayable on demand as at balance sheet date) and bearing interest of 10% and 9.75% per annum, respectively utilized for working capital purposes. Total accrued interest as at period end amounts to $1,445; The land as disclosed in Note 8 is mortgaged to secure short term borrowings.
- Amounts payable to Attvest Finance Pty Ltd relating to financing for the Company's insurance premiums of $26,252 which is a short-term loan bearing interest of 6.75% and is repayable in monthly instalments by 16 July 2019. Total accrued interest as at period end amounts to $2,724.

(ii) Amount due to Star Shenton Energy Pty Ltd, which is related party company (see note 15), is unsecured and repayable on demand, and accrues interest at a rate of 6%. Total accrued interest as at period end amounts to $173,165.

(iii) Amount due to a related party represents a $393,880 loan payable to Flugge Superannuation Fund (related party of Damien Flugge, Director) which is interest bearing at 10% per annum, unsecured and repayable upon demand. A further amount of $595,396 is payable at the balance sheet date to the same related party. The amount was repayable via the issue of ordinary shares at a price to be determined and arose on the business combination transaction undertaken in 2018. The shares were issued on 3 May 2019, subsequent to the balance sheet date, with a total value of $1,302,838. The difference between the liability recognised at 30 June 2018 and the fair value of the shares is recognised as an expense on settlement of the liability after the balance sheet date. The loan is secured against all property disclosed in Note 8.

(iv) SBANG Sustainable Energies Ltd (“SBANG”) has provided the company with a secured loan facility of $10,000,000 which was drawndown to $9,950,000 (on 7 February 2018). The loan facility accrues interest at 10% per annum. Total accrued interest at 30 June 2018 was $319,481. All property disclosed in Note 8 is secured against the loan. $4,000,000 of this loan, and a further $4,000,000 of a new facility (provided to the Company on 15 July 2018) were converted to shares on 10 July 2019 at 15.6 cents per share. The loan is secured against all property disclosed in Note 8

(v) Loan from shareholder represents amounts payable to Mr. Y. Zhu which is non-interest bearing, unsecured and payable on demand.

Note 11 Borrowings (continued)

Movement in net borrowings for the period:	28 July 2017 (date of incorporation) to 30 June 2018
	$
Cash flow items	
Proceeds from short term loans	1,022,107
Proceeds from related company loan	4,979,762
Proceeds from SBANG Sustainable Energies Ltd loan	8,655,000
Repayment of short term loans	(151,555)
Repayment of amount due to related company	(4,178,479)
Repayment of SBANG Sustainable Energies Ltd loan	(500,000)
Interest paid	(89,781)
Non cash flow items	
Interest expense accrued	668,487
Non-cash director benefits	150,000
Non cash settlement of revenue for services performed	(1,689,603)
Liabilities arising on business combination	4,824,618
Balance as at 30 June 2019	**13,690,556**

Note 12 Share capital

	30 June 2018
	Number
(a) Issued and paid up capital	
Issued and fully paid ordinary shares	125
	$
Issued on incorporation	125
Balance at end of the period	125

(b) Movement in ordinary shares	**Number**
Issued on incorporation	125
Balance at end of the period	125

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par share values. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

	28 July 2017 (date of incorporation) to 30 June 2018 $
Note 13 Auditor's remuneration	
Audit fees – Ernst & Young	49,000
Audit fees – Stantons International (previous auditors)	27,500
Total	**76,500**

Note 14 Key Management Personnel (KMPs) disclosures

The KMP's at 30 June 2018 are as follows:
1. Tomaz Rudas **-** Director
2. Damien Flugge **-** Director
3. Vijay Joshi **-** Chief Financial Officer
4. Charles Mackinnon - Director

The aggregate KMP compensation is set out below:	
Short-term employee benefits	1,650,789
Post-employment benefits	36,708
Share based payments – cash settled	73,203
Share based payments – equity settled	233,751
	1,994,451

Note 15 Related party transactions

i) Star Shenton Energy Pty Ltd (Tomasz Rudas is a common Director) was invoiced $665,035 for the provision of operations and maintenance services and $1,320,000 for the start-up and commissioning of Star Shenton Energy Pty Ltd's plant at its Shenton Park facility (both amounts are inclusive of GST).

ii) The Group obtained a loan from Star Shenton Energy Pty Ltd for an amount of $4,500,000. At the reporting date the outstanding balance was $1,333,813 which included accrued Interest payable amounting to $173,165.

iii) Mr. Y. Zhu, who is a shareholder, was paid $150,000 in November 2017 and the Group has an outstanding balance payable of $150,000 as at the balance sheet date. These amounts were payable for the release of mortgages held by Mr. Y Zhu on personal properties of Tomaz Rudas and Damien Flugge (Directors of the Company) to facilitate the Company to obtain a third party loan secured against the Directors' personal properties. The balance of $50,000 remains outstanidng subsequent to 30 June 2018. These amounts were included as KMP compensation for Tomaz Rudas and Damien Flugge in note 14.

iv) Mr. Charles Mackinnon resigned as a Director of the Company on 3 July 2018 was also a Director of Lothbury Advisory to whom the Company paid $64,916 as consultancy fees. For his services, Mr. Charles Mackinnon was issued with 500,000 fully paid ordinary shares in the Company on 5 May 2019, which were valued at $78,000 as at 30 June 2018. These amounts were included as KMP compensation in note 14.

Note 15 Related party transactions (continued)

(v) As part of the acquisition detailed at note 18, the Company owes an amount of $420,879 to Flugge Superannuation Fund (related party of Damien Flugge, Director) and a further amount of $595,396. The amount was repayable via the issue of ordinary shares at a price to be determined. Flugge Superannuation Fund is a related party of Damien Flugge. The shares were issued on 3 May 2019, subsequent to the balance sheet date, with a total value of $1,302,838. The difference between the liability recognised at 30 June 2018 and the fair value of the shares is recognised after the period end as an expense on settlement of the liability.

(vi) The Company has provided Indemnities to the Directors in respect of Australian Tax Office penalty notices for unpaid superannuation guarantee payments for companies within the Aurigen Group from which M8 Sustainable Limited acquired the Maddington Facility and Fernview. This has resulted in a liability of $492,314 to the Company, including taxes. These amounts were included as KMP compensation in note 14.

Note 16 Parent entity disclosure

	30 June 2018 $
Statement of Financial Position	
ASSETS	
Current assets	56,428
Non-current assets	5,856,185
TOTAL ASSETS	5,912,613
LIABILITIES	
Current liabilities	7,735,193
Non-current liabilities	687,327
TOTAL LIABILITIES	8,422,520
TOTAL NET LIABILITIES	**(2,509,907)**
SHAREHOLDERS' DEFICIT	
Issued capital	125
Share based payment reserve	233,751
Accumulated losses	(2,743,783)
TOTAL SHAREHOLDERS' DEFICIT	**(2,509,907)**

	28 July 2017 (date of incorporation) to 30 June 2018
Statement of Profit or Loss and Other Comprehensive Income	
Total loss, net of tax	(3,348,012)
Loss for the period	(3,348,012)

Company's commitments are the same as disclosed in note 23.

Company's contingent liabilities are the same as disclosed in note 17.

Note 17 Contingent liabilities

The Group does not have any contingent liabilities as at balance sheet date and none have arisen since balance sheet date to the date of signing the Directors' report.

Note 18 Controlled entity

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entity in accordance with the accounting policy described in note 2 (b).

Name	Country of incorporation	Percentage owned **30 June 2018**
Fernview Environmental Pty Ltd. (ACN 617 674 469)	Australia	100%

Note 19 Business combination

On 13 April 2018, the Group acquired 100% of the equity of Fernview Environmental Pty Ltd (Fernview) and the assets and liabilities of the Maddington Facility in an interrelated transaction which was accounted for as a business combination.

The acquisition was undertaken to develop an integrated waste management business.

The acquisition gave rise to a bargain purchase as the acquisition was a result of a distressed sale by the appointed administrator of the former owner of the business. M8 Sustainable Limited held a first ranking secured debt instrument from Fernview, impacting the ability of the administrator to realise the asset value.

Assets acquired and liabilities assumed:
The fair values of the identifiable assets and liabilities assumed as at the date of acquisition are:

	Fair Value
Assets	**$**
Cash and cash equivalents	10,455
Prepayments	11,000
Freehold property	9,200,000
C&I Plant and other Maddington Assets	5,185,200
Other current assets	297
Total identifiable assets	14,406,952
Liabilities	
Trade creditors and other provisions	(123,445)
Provisions	(74,918)
Loan from M8 Sustainable Limited	(6,442,273)
Deferred tax liability	(739,437)
Total assumed liabilities	(7,380,073)
Net assets acquired	7,026,879
Purchase consideration transferred	(5,163,567)
Bargain purchase on business combination	**1,863,312**

Note 19 Business combination (continued)

The Group engaged Insitu Advisory, who are specialised in valuing landfill facilities in Australia, to obtain a valuation for the landfill facility at Gingin. The void space (vacant land) as an asset was valued upon acquisition on 13 April 2018 at $9,200,000 using the income approach (level 3 in the fair value hierarchy).

Graysasset Services, who are the largest industrial and commercial online auction business in Australasia, was engaged to carry out the valuation of the mobile plant, fixed plant, office equipment and motor vehicles at the Maddington Facility using a combination of the sales analysis method and depreciated replacement cost method (level 3 in the fair value hierarchy). The fair value of the mobile plant and fixed plant was $5,185,200 which was the value recognised on acquisition on 13 April 2018.

From the date of acquisition, the controlled entity contributed $637,223 to the loss of the Group. If the combination had taken place at the beginning of the financial period, the loss for the period would have been the $1,812,953.

Analysis of purchase consideration:		
Cash consideration paid and payments made on behalf of the vendor		1,187,915
Less: Cash of controlled entity acquired		(10,455)
Non-cash settlements	(a)	3,975,652
Total consideration net of cash acquired		**5,153,112**

(a) Non-cash settlements represent:
- *(i)* $2,500,000 related to the acquisition of the Maddington Facility whereby this amount of the purchase consideration was settled via offset against amounts due from Aurigen Group Ltd, the parent entity of the company selling the assets,
- *(ii)* $500,000 related to the acquisition of shares in Fernview, offset against amounts due from Aurigen Group Ltd, the ultimate parent entity of Fernview
- *(iii)* $975,652 related to an obligation to provide fully paid ordinary shares in the Company to the value of $595,396 to Flugge Superannuation Fund together with $380,256 cash (both unpaid at 30 June 2018 and included in borrowings) as consideration to remove encumbrances, on behalf of the vendor, from assets being acquired in the business combination.

Note 20 Financial risk management

Financial Risk Management Objectives

The Group's main exposure is to liquidity risk. The Company's overall management program is focussed on managing this risk and is working with long term investors to invest debt capital into the Group with the opportunity that the debt would be converted into equity on or before an Initial Public Offering.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprises cash and cash equivalents and trade and other receivables.

Credit risk in respect of trade and other receivables arises when a customer fails to meet its contractual liabilities. The Group is exposed to such risk. However, the Group will be seeking to minimise/reduce this risk by setting credit limits and focussing on having a broader rather than narrow number of customers.

Note 20 Financial risk management (continued)

Credit Risk (continued)

The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates is restricted to cash and cash equivalents of $72,571. Therefore, there is no significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. It is the Group's policy to maintain sufficient funds in cash and cash equivalents to meet its financial obligations. Management prepares and monitors rolling cash flows and regularly reviews existing funding arrangements to manage this risk.

The table below summarises the contractual maturity profile of the Group's financial liabilities based on undiscounted payments:

	One year	After 1 year	Total
Trade payables	91,522	-	91,522
Accruals and Other Payables	997,024	-	997,024
Amount due to vendors	942,986	-	942,986
Amount due to a related company	1,333,813	-	1,333,813
Amount due to a related party	989,276	-	989,276
Loan from SBANG	10,274,481	-	10,274,481
Loan from a shareholder	150,000	-	150,000
	14,779,102	**-**	**14,779,102**

Note 21 Fair values

Set out below, is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2018:

	30 June 2018	
	Carrying amount	**Fair Value**
	$	**$**
Financial assets		
Cash and cash equivalents	72,571	72,571
Financial liabilities		
Trade payables	91,522	91,522
Accruals and Other Payables	997,024	997,024
Short term borrowings	942,986	942,986
Amount due to related company	1,333,813	1,333,813
Amount due to related party	989,276	989,276
SBANG Loans	10,274,481	10,274,481
Loan from a shareholder	150,000	150,000
	14,779,102	**14,779,102**

As most financial assets and liabilities are on demand, their carrying amount approximates fair value.

Note 22 Operating segments

Revenue is derived from a single contract to provide services to a related party in Australia. The Group's main operations at the Maddington Facility have not yet recommenced. The Group therefore has one single reporting segment. All non current assets are located in Australia.

Note 23 Capital commitment

The Group does not have any capital commitments as at balance sheet date.

Note 24 Operating lease commitments

	30 June 2018
	$
Not longer than 1 year	983,000
Longer than 1 year and not longer than 5 years	3,932,000
Longer than 5 years	12,015,758
	16,930,758

Commitments are calculated based on the assumption that the Company will extend the lease term for a further 10 years under the lease agreement.

Note 25 Share based payments and bonus incentives

Bonus Incentive

Under employment contracts with 3 key management personnel dated 1 September 2017, the parties have a bonus incentive whereby, on the listing of the Company on the ASX or other recognised stock exchange, the key management personnel will be entitled to an individual bonus of:

- bonus shares equalling 0.5% of the Company is issued capital at the time that the Company becomes listed (representing an equity settled share based payment) and a payment equivalent to the employee's tax liability (representing a cash settled share based payment)
- cash bonus equivalent to 0.5% of the total capital raised by the Company before listing on the ASX (see provision for employee benefits note 10).

The expense recognised for the period ended 30 June 2018 includes a component for the bonus shares based on their intrinsic value as at 30 June 2018. A total of 2,509,233 shares are expected to vest on listing and were valued at 15.6 cents based upon their intrinsic value at 30 June 2018.

The bonus incentive is dependent upon employment through to entitlement.

The bonus shares clause was rescinded by all 3 key management personnel on 4 September 2019. The bonus shares shall not be issued upon the Company's ASX listing. On the cancellation date, a reversal of the cumulative share based payment expense associated with the bonus shares will be recognised through profit and loss.

Director Entitlement

A director received an entitlement to 500,000 fully paid ordinary shares in the Company as part settlement for his services. The grant date was 7 December 2017. The shares were valued at 15.6 cents based upon their intrinsic value at 30 June 2018. There were no service conditions on the entitlement.

The expense recognised for share based payments for employee services during the period is shown in the following table:

	28 July 2017 to 30 June 2018
	$
Bonus incentive – equity settled	155,751
Director entitlement – equity settled	78,000
	233,751
Bonus incentive – cash settled	73,203
	73,203

No shares had been issued at period end and no entitlements had lapsed or were forfeited.

Note 26 Subsequent events

With the exception of the transactions noted below, no material transactions have occurred between 30 June 2018 and the date of the approval of the financial statements which the Directors consider require disclosure.

SBANG loan facilities

On 15 July 2018 SBANG provided the Company with a loan facility of $4,000,000. The loan accrues interest at 10% per annum.

On 15 November 2018 the Company issued SBANG with convertible notes totaling $6,000,000. The loan accrues interest at 10% per annum. The conversion of the principal to shares shall occur upon the Company's successful Initial Public Offer ("IPO"). The SBANG debt is secured against the Group's property, plant and equipment.

On 10 July 2019 the Company issued 51,282,051 fully paid ordinary shares at $0.156 per share representing partial repayment of $ 8,000,000 of the loan facility with SBANG.

On 3 September 2019, SBANG provided a new $4,000,000 loan facility. The loan will be interest bearing at 10% p.a. and has a two year term.

IPO Mandate

On 10 August 2018 the Company executed a mandate with Patersons Corporate Finance to act as a Lead Manager for an Initial Public Offering (IPO)

Company name and status

On 6 December 2018 the Company changed its name from Starworks Enterprises Pty Ltd to M8 Sustainable Ltd and amended its status from a proprietary company to that of a public company. This also required the adoption of a new Constitution which was approved at a General Meeting of shareholders.

Issue of Director Shares

On 3 May 2019, the Company issued 500,000 fully paid ordinary shares to Lothbury Advisory Pty Ltd to settle an obligation to Charles Mackinnon associated with his services as Director of the Company.

Issue of Related Party Shares

On 3 May 2019, the Company issued 8,351,526 fully paid ordinary shares to Flugge Superannuation Fund, with a total value of $1,302,838 in settlement of the Company's obligation associated with the business combination. The difference between the liability recognised at 30 June 2018 and the fair value of the shares is recognised after the period end as an expense on settlement of the liability

Issue of Promoter Shares

During the period 3 May 2019 to 28 August 2019 the Company issued a total of 22,744,963 fully paid ordinary shares for nil consideration to promoters of the Company, which included 7,115,038 shares issued to SBANG.

Note 27 Revised financial statements

For the reasons noted below these revised consolidated financial statements as at 30 June 2018 and for the period then ended replace the original consolidated financial statements approved by the directors on 18 February 2019.

Subsequent to the issue of the original consolidated financial statements for the period ended 30 June 2018, the directors have identified uncorrected errors. The directors have concluded that if they had known about these errors at the time of preparing the original financial report, appropriate adjustments would have been processed. Consequently, and in view of the monetary size of the adjustments, the directors have resolved to amend and reissue the financial report for the period ended 30 June 2018.

In reissuing the consolidated financial statements, the following adjustments have been made to correct identified errors. Reclassifications adjustments between individual account balances are shown separately in the reconciliations below of the Consolidated Statement of Profit and Loss and Other Comprehensive Income and the Consolidated Statement of Financial Position to appropriately reflect their nature under Australian accounting standards.

(a) Adjustment to correct the accounting for the acquisition of the Maddington waste treatment plant and Gingin land (Fernview) as a linked transaction representing a business combination. In the original consolidated financial statements, the acquisitions were treated as individual transactions with the Maddington waste treatment plant being accounted for as an asset acquisition and the acquisition of Fernview as a business combination. Further details of the transaction are set out in Note 19. As a business combination the net assets acquired were recognised at fair value at the date of acquisition. The excess of the fair value of the net assets acquired over the purchase consideration was recognised as a gain on acquisition. Acquisition related costs were expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. As the independent valuations of the Gingin Property and the plant and equipment at the Maddington facility were obtained as part of the acquisition accounting, the revaluation of assets recognised in the original financial statements has been reversed. Furthermore, the Group has reverted to a policy of carrying property, plant and equipment at cost less accumulated depreciation and impairment as no subsequent revaluations have been performed.

(b) Adjustments for cutoff and other errors not identified in the original financial statements:
    1. Accrual for Directors' indemnity and related tax liabilities assumed by the company of $492,314
    2. Accrual for bonus incentives and related tax liabilities of $485,455, which included equity settled transactions of $233,751 as described in Note 25 and cash settled compensation of $73,203 as described in note 25. These accruals form part of the KMPs as disclosed in Note 14.
    3. Correction of accrual for director remuneration for the period of $296,027
    4. Adjustment for accrued salaries and wages through to balance sheet date of $11,474

(c) Adjustments for:
    1. Lease payments made on behalf of the vendor of the business acquired (refer note 19 for details). In the original consolidated financial statements, these payments were recognised as lease expenses of $767,005.
    2. Correction of GST on lease payments.

(d) Adjustment to depreciation of property, plant and equipment to depreciate relevant assets from the date of business combination.

(e) In the original consolidated financial statements transaction costs relating to borrowings were expensed in full. An adjustment has been processed to net the transaction costs against the carrying value of the related loans and allow for them in the effective interest rate on the loans.

(f) Adjustments for acquisition costs such as stamp duties and other fees. See (a) above.

(g) Adjustments to other expenses relating to the accrual of payroll taxes listed in items 1 to 3 in note (b) above and other expenses to recognise audit fees, of $49,000, rent expense of $22,756, payroll tax of $81,603 and other expenses adjustment for insurance.

(h) Adjustment for amortization of prepaid insurance.

Note 27 Revised financial statements (continued)

(i) Adjustments for accruals listed in:
1. items 1 to 4 in note (b) above, excluding equity settled transactions
2. Stamp duties in note (f) above of $135,666
3. Payroll taxes in note (g) above
4. Accrual for cash settled share based payment

(j) Adjustments for the following:
1. Correction of the effective interest rate on short term borrowings (previously 'amount due to vendor')
2. Adjustment to recognise a liability to a related party, further detailed in Note 11(iii).

(k) Adjustment to recognize environmental obligations related to the Maddington Facility, detailed in Note 10 recognised as part of the business combination – see note (a) above.

(l) Adjustment for share based payments as disclosed at Note 25.

(m) Deferred tax adjustment for originating and reversing temporary differences over the period to 30 June 2018.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

		28 July 2017 to 30 June 2018 As previously reported	Error Adjustments	Reclassification adjustments	28 July 2017 to 30 June 2018 Restated
		$	$	$	$
Revenue		1,804,577	-	-	1,804,577
Other income		1,465	-	8,497	9,962
Bargain purchase gain on business combination	(a)	893,470	969,842	-	1,863,312
Total income		**2,699,512**	**969,842**	**8,497**	**3,677,851**
Less:					
Corporate and administration		(3,244,281)	-	3,244,281	-
Employee benefits, salaries and wages	(b)	-	(1,260,322)	(1,546,681)	(2,807,003)
Rent expense	(c)	-	744,622	(1,284,702)	(540,080)
Depreciation of property, plant and equipment	(d)	(112,489)	3,474	-	(109,015)
Finance costs	(e)	(358,035)	300,000	(610,451)	(668,486)
Bad debts written-off		(281,213)	-	-	(281,213)
Interest expense		(610,451)	-	610,451	-
Insurance costs		-	-	(132,247)	(132,247)
Professional fees		-	-	(261,160)	(261,160)
Acquisition transaction costs	(a, f)	-	(520,666)	-	(520,666)
Other expenses	(g)	-	(161,302)	(27,986)	(189,287)
Loss before income tax		**(1,906,957)**	**75,649**	**-**	**(1,831,308)**
Income tax expense	(m)	-	52,110	-	52,110
Loss after tax		**(1,906,957)**	**127,759**		**(1,779,198)**
Other comprehensive income:					
Revaluation of property, plant and equipment, net of tax	(a)	**1,070,302**	**(1,070,302)**	-	-
Total comprehensive income for the financial period attributable to the equity holders of the Group		**(836,655)**	**(942,543)**	**-**	**(1,779,198)**

Note 27 Revised financial statements (continued)

Consolidated Statement of Financial Position

		28 July 2017 to 30 June 2018 As previously reported	Error Adjustments	Reclassification	28 July 2017 to 30 June 2018 Restated
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents		72,571	-	-	72,571
Trade and other receivables		441,028	-	(441,028)	-
Prepayments	(h)	52,791	3,058	-	55,849
Total Current Assets		**566,390**	**3,058**	**(441,028)**	**128,420**
NON-CURRENT ASSETS					
Property, plant and equipment	(d)	14,552,711	3,474	-	14,556,185
Total Non-current Assets		**14,552,711**	**3,474**	-	**14,556,185**
TOTAL ASSETS		**15,119,101**	**6,533**	**(441,028)**	**14,684,605**
CURRENT LIABILITIES					
Trade payables and other payables	(i)	965,465	1,173,742	(977,459)	1,161,749
Provisions				615,376	615,376
Borrowings		-	-	13,690,556	13,690,556
Amount due to vendors	(j)	1,061,528	(147,518)	(914,010)	-
Amount due to a related company		1,774,841	-	(1,774,841)	-
Loan from shareholder		150,000	-	(150,000)	-
Amount due to a related party	(j)	380,256	595,396	(975,652)	-
Loan from SBANG		9,955,000	-	(9,955,000)	-
Total Current Liabilities		**14,287,090**	**1,621,620**	**(441,028)**	**15,467,681**
NON-CURRENT LIABILITIES					
Provisions	(k)	-	74,918	-	74,918
Deferred tax liabilities	(a, m)	1,668,541	(981,214)	-	687,328
Total Non-current Liabilities		**1,668,541**	**(906,296)**	-	**762,246**
TOTAL LIABILITIES		**15,955,631**	**715,325**	**(441,028)**	**16,229,927**
NET LIABILITIES		**(836,530)**	**(708,792)**	-	**(1,545,322)**
SHAREHOLDERS' DEFICIT					
Issued capital		125	-	-	125
Asset revaluation reserve	(a)	1,070,302	(1,070,302)	-	-
Shared based payment reserve	(l)	-	233,751	-	233,751
Accumulated losses		(1,906,957)	127,759	-	(1,779,198)
TOTAL SHAREHOLDERS' DEFICIT		**(836,530)**	**(708,792)**	-	**(1,545,322)**

Note 27 Revised financial statements (continued)

Consolidated Statement of Cash Flows

	28 July 2017 to 30 June 2018 As previously reported $	Adjustments $	28 July 2017 to 30 June 2018 Restated $
Cash flows from operating activities			
Loss before income tax	(1,906,957)	127,759	(1,779,198)
Adjustment for			
Non cash items			
Depreciation of property, plant and equipment	112,489	(3,474)	109,015
Loss on disposal of property, plant and equipment	8,497	-	8,497
Interest expense	610,451	58,036	668,487
Non-cash director benefit	-	150,000	150,000
Bad debts written-off	281,213	(47,869)	233,344
Share based payments	-	233,751	233,751
Bargain on business combination	(893,470)	(972,245)	(1,865,715)
Non-cash settlement for services rendered	-	(1,689,603)	(1,689,603)
Changes in assets and liabilities			
Increase in trade and other receivables	(720,942)	720,942	-
Increase in prepayments	(41,791)	(359)	(42,150)
Increase in trade and other payables	342,408	620,978	963,386
Increase in provisions	166,507	523,787	690,294
Increase in deferred tax liabilities	-	(52,110)	(52,110)
Net cash used in operating activities	**(2,041,595)**	**(330,407)**	**(2,372,002)**
Cash flows from investing activities			
Net cash used in business combination	(499,300)	(678,160)	(1,177,460)
Advances to Fernview prior to gaining control of the entity	-	(6,442,273)	(6,442,273)
Proceeds from repayment of non cash advance	-	615,624	615,624
Purchase of property, plant and equipment	(3,997,419)	3,684,630	(312,789)
Proceeds from sale of fixed assets	-	24,292	24,292
Settlement of other liabilities at the time of acquisition of controlled entity	(189,149)	189,149	-
Net cash used in investing activities	**(4,685,868)**	**(2,606,738)**	**(7,292,606)**
Cash flows from financing activity			
Proceeds from amounts due to vendors	1,061,528	(39,421)	1,022,107
Proceeds from amounts due to a related company	1,601,676	3,378,086	4,979,762
Amount due to a related party	380,256	(380,256)	-
Proceeds from loan received from SBANG	9,955,000	(1,300,000)	8,655,000
Proceeds from issuance of shares	125	-	125
Repayment of Remagen Lending 2016-12 Pty Ltd loan	(6,244,370)	6,244,370	-

	28 July 2017 to 30 June 2018 As previously reported $	Adjustments $	28 July 2017 to 30 June 2018 Restated $
Proceeds from loan received from a shareholder	150,000	(150,000)	-
Repayment of loan – Attvest - Insurance	-	(151,555)	(151,555)
Repayment of amounts due to vendors	-	-	-
Repayment of amount due to a related company	-	(4,178,479)	(4,178,479)
Repayment of loan from SBANG	-	(500,000)	(500,000)
Interest paid	(104,181)	14,398	(89,781)
Net cash generated from financing activities	**6,800,034**	**2,937,143**	**9,737,179**
Net increase in cash and cash equivalents	72,571	-	72,571
Cash and cash equivalents at the date of incorporation	**-**	**-**	**-**
Cash and cash equivalents at the end of the financial period	**72,571**	-	**72,571**

No change has occurred in the net increase in cash and cash equivalents. However, the changes in the Consolidated Statement of Profit and Loss and Comprehensive Income and the Consolidated Statement of Financial Position as detailed in the previous tables, impact the presentation of the Consolidated Statement of Cash Flows.

- End of the Report -