# Financial statements for the year ended 30 June 2018

**DCP COMPANY LIMITED**
**ABN 85 619 866 072**

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# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 30 JUNE 2018

## TABLE OF CONTENTS

**DIRECTORS' REPORT**

The directors present their report, together with the financial statements, on DCP Company Limited ("the Company") for the financial year ended 30 June 2018.

In addition to the content of this report providing of DCP Company Limited's (the Company) directors and a brief description of the Company's activities, operations, and results, readers are encouraged to also consider the DCP Company Limited Annual Report for the year ended 30 June 2018 which provides further insight into the performance of the Company.

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

| Director | Appointment Date | Cessation Date |
|---|---|---|
| Nic Frances Gilley | 20 June 2017 | - |
| Monique Conheady | 10 January 2018 | - |
| Andrew Laing | 9 January 2018 | - |
| Julie Agostino | 10 September 2018 | - |

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

**Principal Activities**
The principal activity of the Company during the financial year were:

- Developing the business strategy and business model, and
- Exploring a white-label electricity retail solution.

**Dividends**
No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

**Review of Operations**
The Company's operating loss for the financial year ended 30 June 2018 was $1,693,166 compared to a loss of $92,209 the previous financial year.

**Matters subsequent to the end of the financial year**
Since the 30 June 2018:

- the Company entered into a white-label agreement in July 2018 with a licensed electricity provider to provide the Company with access to licenses.
- the Company secured commitments from investors for a combined amount of $4,450,000 in September 2018.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Environmental regulation**
The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law

**Details of the Directors**

| | |
|---|---|
| **Director's Name:** | Nic Frances Gilley |
| **Position held:** | Chief Executive Officer & Chairperson |
| **Qualification and experience:** | Nic is responsible for the strategy, delivery and risk management for DC Power Co. Social entrepreneur, marketing campaign specialist and founder of Easy Being Green and Cool NRG. Nic is tireless in his pursuit of creating companies that are good for the planet and good for Australians. Nic was awarded an MBE in the UK and a Centenary Medal in Australia for his charitable work. |

**Details of the Directors (continued)**

| | |
|---|---|
| **Director's Name:** | Monique Conheady |
| **Position held:** | Director |
| **Qualification and experience:** | Bachelor of Engineering (Honours) / Bachelor of Arts (Melbourne University). Monique is a board member with a focus on customer engagement and experience. An engineer turned entrepreneur and marketer, and founder of car sharing disruptor Flexicar. Monique also led the Hertz marketing team before becoming a board member of a number of organisations and market regulators aimed at improving conditions for Australians, both environmentally and socially. |
| **Director's Name:** | Andrew Laing |
| **Position held:** | Director |
| **Qualification and experience:** | Bachelor of Mathematics (Bristol University). Andrew is a board member with a focus on governance and finance. Andrew worked for over forty years at BP until he became a core part of the formation of Cool NRG from 2003 to 2007. Andrew is now a director and advisor, drawing from his experience in financial control, major joint venture projects and cultural change. |
| **Company Secretary's Name:** | Chris Tierney |
| **Position held:** | Company Secretary |
| **Qualification and experience:** | Bachelor of Engineering (Monash University)<br>Chris is responsible for corporate services including culture and development. A founding member of Cool NRG and central to the success of Easy Being Green, Highlights of his time with BP included Board membership and a central managerial role in the set-up and early operation of the BP/Caltex Lubricants Manufacturing joint venture in Australasia. |

**Meetings of the Directors**
The table below provides details of the number of meetings of the board held and the attendance by each of director:

| **Director** | **Number of meetings eligible to attend** | **Number of meetings attended to 30 June 2018** |
|---|---|---|
| Nic Frances Gilley | 9 | 9 |
| Monique Conheady | 8 | 8 |
| Andrew Laing | 8 | 6 |

**Shares under option**
Unissued ordinary shares of the Company under option at the date of this report are zero.

**Employee share incentives**
As at the 30 June 2018, $50,000 of shares have been committed to key staff over 2 years.

**Indemnification of Officer or Auditor**
The Company has paid an annual premium to insure the directors and officers against liabilities incurred in their respective capacities. Under the policy, details of the premium are confidential.

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company for up to $2,000,000 against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Proceedings on Behalf of the Company**

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

The Company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 of this financial statement.

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

N. Frances Gilley
Director

M. Conheady
Director

A. Laing
Director

Dated this 22nd of October 2018.

# Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of DCP Company Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

1) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

2) No contraventions of any applicable code of professional conduct in relation to the audit.

CROWE HORWATH MELBOURNE

**CROWE HORWATH MELBOURNE**

**Gordon Robertson**
**Partner**

**Melbourne Victoria**
**22 October 2018**

## STATEMENT OF LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 2 | 750,000 | - |
| Administration expenses | | (140,774) | (7,529) |
| Employee benefits expenses | | (425,371) | - |
| Finance costs | | (2,032) | - |
| Marketing and advertising expenses | | (1,736,333) | (62,244) |
| Travel and accommodation expenses | | (27,577) | - |
| Other expenses | | (111,079) | (22,436) |
| **(Deficit) before income tax** | | **(1,693,166)** | **(92,209)** |
| Income tax expense | 1(a), 3 | - | - |
| **(Deficit) for the year** | | **(1,693,166)** | **(92,209)** |
| **Other comprehensive income, net of income tax** | | | |
| Other comprehensive income for the year, net of income tax | | - | - |
| **Total comprehensive (deficit) for the year** | | **(1,693,166)** | **(92,209)** |
| **(Deficit) attributable to:** | | | |
| Shareholders of the Company | | (1,693,166) | (92,209) |
| **Deficit for the year** | | **(1,693,166)** | **(92,209)** |
| **Total comprehensive (deficit) attributable to:** | | | |
| Shareholders of the Company | | (1,693,166) | (92,209) |
| **Total comprehensive (deficit) for the year** | | **(1,693,166)** | **(92,209)** |

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2018

| | Note | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 4 | 254,662 | 80,000 |
| Trade and other receivables | 5 | 106,999 | 2,609 |
| Other assets | 6 | 14,085 | 10,047 |
| Financial assets | 7 | 2,035,187 | - |
| **TOTAL CURRENT ASSETS** | | **2,410,933** | **92,656** |
| **TOTAL ASSETS** | | **2,410,933** | **92,656** |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 8 | (115,140) | (59,565) |
| Recoupable grant | 9 | (250,000) | - |
| Loan – Insurance | | (10,778) | - |
| Unissued share capital | | - | (80,000) |
| **TOTAL CURRENT LIABILITIES** | | **(375,918)** | **(139,565)** |
| **TOTAL LIABILITIES** | | **(375,918)** | **(139,565)** |
| **NET ASSETS** | | **2,035,015** | **(46,909)** |
| **EQUITY** | | | |
| Issued capital | | 3,298,890 | 45,300 |
| Share based payment reserve | 10 | 521,500 | - |
| Accumulated losses | | (1,785,375) | (92,209) |
| **TOTAL EQUITY** | | **2,035,015** | **(46,909)** |

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR YEAR ENDED 30 JUNE 2018

| | Issued capital $ | Accumulated losses $ | Share based payment reserve $ | Total equity $ |
|---|---|---|---|---|
| **Balance at 20 June 2017** | - | - | - | - |
| (Deficit) for the year | - | (92,209) | - | (92,209) |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive deficit for the year | - | (92,209) | - | (92,209) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contributions of equity, net of transaction costs (Note 11) | 45,300 | - | - | 45,300 |
| **Balance at 30 June 2017** | **45,300** | **(92,209)** | **-** | **(46,909)** |
| **Balance at 1 July 2017** | 45,300 | (92,209) | - | (46,909) |
| (Deficit) for the year | - | (1,693,166) | - | (1,693,166) |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive deficit for the year | - | (1,693,166) | - | (1,693,166) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Share based payments as equity commitments (Note 10) | - | - | 521,500 | 521,500 |
| Contributions of equity, net of transaction costs (Note 11) | 3,253,590 | - | - | 3,253,590 |
| **Balance at 30 June 2017** | **3,298,890** | **(1,785,375)** | **521,500** | **2,035,015** |

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR YEAR ENDED 30 JUNE 2018

| | Note | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Receipts from operating grants | | 750,000 | - |
| Payments to suppliers and employees | | (1,722,487) | - |
| Finance costs paid | | (2,032) | - |
| **Net cash (used in) operating activities** | 17(b) | **(974,519)** | **-** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Investments in financial assets | | (2,035,187) | - |
| **Net cash used in investing activities** | | **(2,035,187)** | **-** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | | 3,173,590 | 80,000 |
| Proceeds from borrowings | | 10,778 | - |
| **Net cash provided by financing activities** | | **3,184,368** | **80,000** |
| Net increase in cash and cash equivalents | | 174,662 | 80,000 |
| Cash and cash equivalents at beginning of year | | 80,000 | - |
| **Cash and cash equivalents at end of year** | 17(a) | **254,662** | **80,000** |

The accompanying notes form part of these financial statements.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are for DCP Company Limited (DCP) as an individual entity, incorporated and domiciled in Australia. DCP is a public, unlisted company limited by shares.

**Statement of Compliance**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statement are presented below. They have been consistently applied unless otherwise stated.

**Basis of Preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

**Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

**(a) 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 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 operates 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 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 only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

**(b) Cash and Cash Equivalents**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting Policies (continued)**

**(c) Financial Instruments**

**Initial Recognition and Measurement**

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(i) the amount at which the financial asset or financial liability is measured at initial recognition;
(ii) less principal repayments;
(iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
(iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*i. Financial assets at fair value through profit or loss*

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

*ii. Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost.

*iii. Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

*iv. Financial liabilities, including trade and other payables*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting Policies (continued)**

**(c) Financial Instruments (continued)**

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

**Derecognition**
Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(d) Employee Benefits**

*(i) Short-term obligations*
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

*(ii) Share-based payments*
Share-based compensation benefits may be provided through the issue of fully paid ordinary shares under the Employee Share and Option Plan. Options are also granted to employees and consultants in accordance with the terms of their respective employment and consultancy agreements. Any options granted are made in accordance with the terms of the Company's Employee Share and Option Plan (ESOP).

The fair value of options granted under employment and consultancy agreements are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

**(e) Revenue**
Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

The Company is supported by grants received from the federal government. Government revenue is recognised in the Statement of profit or loss and other comprehensive income when the entity obtains control of the revenue, it is probable that the economic benefits gained from the contract will flow to the entity and the amount of the revenue can be measured reliably.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting Policies (continued)**

**(e) Revenue (continued)**

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability, and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received. Government grant is recognised in the Statement of profit or loss and other comprehensive income when it is probable, control is gained of the monies and it can be measured reliably.

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

**(f) Goods 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.

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 statement of financial position.

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

**(g) Current and non-current classification**

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

An asset is current when:

(i) it is expected to be realised or intended to be sold or consumed in normal operating cycle; or
(ii) it is held primarily for the purpose of trading; or
(iii) it is expected to be realised within twelve months after the reporting period; or
(iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or
(iii) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**(h) New, revised or amending Accounting Standards and Interpretations adopted**

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

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

**(i) Trade and other receivables**

Trade receivables, which comprise amounts due from services provided are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. Normal terms of settlement vary from 30 to 60 days. The notional amount of the receivable is deemed to reflect fair value. An allowance for impairment of receivables is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Going concern**

During the financial year ended 30 June 2018 DCP Company Limited had a loss of $1,693,166 and negative cash flows from operating activities of $974,519. In addition, the Company is currently reliant on external sources of funding to meet its working capital requirements. These matters give rise to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Notwithstanding this, the financial report has been prepared on a going concern basis which the Directors believe is appropriate on the basis that:

- on $29^{th}$ September 2018 the Company received a signed term sheet to raise an additional $4Mn of funding;
- expected revenue from new customers during the 2019 financial year;
- other capital raising initiatives from existing or new investors which the Board may consider in the ordinary course of business; and
- the Company has a strong history of successful capital raising during the financial year ended 30 June 2018.

Based on the above, directors have prepared cash flow forecasts which demonstrate that the Company will generate sufficient cash flows to fund its activities for a period of not less than twelve months from the date of this report.

Should the Company be unable to continue as a going concern, it may be required to release its assets and extinguish its liabilities other than in ordinary course of business, at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Company not continue as a going concern.

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 2: REVENUE** | | | |
| *Revenue from operating activities* | | | |
| - Operating grants | | 750,000 | - |
| Total revenue | | 750,000 | - |

**NOTE 3: INCOME TAX EXPENSE**

**Numerical reconciliation of income tax expense to prima facie tax payable**

| | 2018 $ | 2017 $ |
|---|---|---|
| Losses from continuing operations before income tax expense | (1,693,166) | (92,209) |
| Tax at the Australian tax rate of 27.5% (2017 - 30.0%) | (465,621) | (27,663) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Others – Intellectual Property – Branding | 10,336 | 6,111 |
| Subtotal | (455,285) | (21,552) |
| Current year deferred taxes not recognized | 455,285 | 21,552 |
| Income tax expense | - | - |

**NOTE 4: CASH AND CASH EQUIVALENTS**

| | 2018 $ | 2017 $ |
|---|---|---|
| Cash at bank | 254,662 | 80,000 |
| | 254,662 | 80,000 |

**NOTE 5: TRADE AND OTHER RECEIVABLES**

| | 2018 $ | 2017 $ |
|---|---|---|
| **Current** | | |
| Trade receivables | 55,000 | - |
| Other receivables | 51,999 | 2,609 |
| Total trade and other receivables | 106,999 | 2,609 |

Current trade receivables are unsecured and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. No provision is recognised as of 2018 or 2017.

**NOTE 6: OTHER ASSETS**

| | 2018 $ | 2017 $ |
|---|---|---|
| **Current** | | |
| Bond | - | 1,872 |
| Loan | - | 8,175 |
| Prepayments | 14,085 | - |
| Total trade and other receivables | 14,085 | 10,047 |

## NOTE 7: FINANCIAL ASSETS

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **Current** | | | |
| Term deposit, 1-month rolling held in escrow | | 600,000 | - |
| Term deposit, 3-month held in escrow | | 1,000,000 | - |
| Controlled money account held in escrow | | 435,187 | - |
| Total financial assets | | 2,035,187 | - |

The financial assets related to a capital raise via crowd source funding. Based on its agreements with ARENA, these funds were required to be held in escrow until certain milestones were achieved. The effective interest rates on the term deposits were 1.90% and these deposits have an average maturity of 2 months. Subsequent to year end, these funds were released from escrow. Refer Note 16.

## NOTE 8: TRADE AND OTHER PAYABLES

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **Current** | | | |
| *Unsecured liabilities* | | | |
| Trade payables | | (111,862) | (59,565) |
| Superannuation payables | | (3,167) | - |
| GST payable | | (111) | - |
| Financial liabilities as trade and other payables | 12 | (115,140) | (59,565) |

## NOTE 9: RECOUPABLE GRANT

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **Current** | | | |
| Recoupable grant | | (250,000) | - |
| | | (250,000) | - |

Recoupable grant represents an amount due to the Australian Renewable Energy Agency (ARENA) for which is to be repaid upon satisfying the release conditions under the funding agreement. This has been settled subsequent to the year end. Refer Note 16.

## NOTE 10: SHARE BASED PAYMENTS RESERVE

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| Equity commitment | | 521,500 | - |
| | | 521,500 | - |

Equity commitment represents pledges from contractors to fulfil a service in exchange for share equity in DCP. These services have been provided during the year in exchange for shares at $0.50 per share, except as noted. Shares will be issued during the 2019 financial year for the following services used during the year ended 30 June 2018:

- provision of airtime services for $500,000 in exchange for 1,000,000 shares;
- negotiation of airtime services for $12,500 in exchange for 25,000 shares;
- providing web design services for $8,000 in exchange for 16,000 shares; and
- performing project management services for $1,000 in exchange for 2,000 shares.

**NOTE 11: EQUITY – ISSUED CAPITAL**

| | 30 June 2018 Shares | 30 June 2017 Shares | 30 June 2018 $ | 30 June 2017 $ |
|---|---|---|---|---|
| Ordinary shares – fully paid | 44,413,394 | 600,000 | 3,298,890 | 45,300 |

| Movements in ordinary share: | Number of shares | $ |
|---|---|---|
| **Details** | | |
| Opening balance 1 July 2016 | - | - |
| Share issue at $0.001 per share on 20 June 2017 | 200,000 | 200 |
| Share issue at $0.001 per share on 23 June 2017 | 100,000 | 100 |
| Share issue at $0.150 per share on 23 June 2017 | 300,000 | 45,000 |
| | 600,000 | 45,300 |
| Less: Transaction costs arising on share issue | - | - |
| **Balance 30 June 2017** | **600,000** | **45,300** |
| Opening balance 1 July 2017 | 600,000 | 45,300 |
| Share issue at $7.50 per share on 17 August 2017 | 68,002 | 510,015 |
| Stock-split (53-to-1) on 7 February 2018 | 34,736,104 | - |
| | 35,404,106 | 555,315 |
| Share issue at $0.156 per share on 7 February 2018 | 4,645,788 | 725,000 |
| Crowd source funding issued at $0.50 per share on 16 May 2018 | 4,363,500 | 2,181,750 |
| | 44,413,394 | 3,462,065 |
| Less: Transaction costs arising on share issue | - | (163,175) |
| **Balance 30 June 2018** | **44,413,394** | **3,298,890** |

*Ordinary shares*
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

## NOTE 12: FINANCIAL RISK MANAGEMENT

**Financial Risk Management Policies**

The Company's financial instruments consist mainly of deposits with banks, short-term deposits and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and cash equivalents | 4 | 254,662 | 80,000 |
| Receivables | 5 | 106,999 | 2,609 |
| Loans | 6 | - | 8,175 |
| Total Financial Assets | | 361,661 | 90,784 |
| | | | |
| **Financial Liabilities** | | | |
| Financial liabilities at amortised cost: | | | |
| - Trade and other payables | 8 | (115,140) | (59,565) |
| Recoupable grant | 9 | (250,000) | - |
| Borrowings | | (10,778) | - |
| Total Financial Liabilities | | (375,918) | (59,565) |

## NOTE 13: RELATED PARTY TRANSACTIONS

Related parties include entities that are controlled or jointly controlled by those key management personnel. Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Transactions with related parties during the financial year included Nic Frances Gilley for CEO services via Yawye Health Pty Ltd ($81,216), Emma Jenkin for CFO services ($78,953), Nick Brass for General Sales Manager services via Sunpact Pty Ltd ($36,246), and Monique Conheady for Marketing services via Just in Case-A Pty Ltd ($21,660). There was $nil compensation consideration paid to executives in 2017.

## NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority or responsibility for planning and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of that entity is considered key management personnel (KMP).

| | 2018 | 2017 |
|---|---|---|
| Total compensation paid to KMP | Nil | Nil |

## NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities at reporting date (2017: $nil).

## NOTE 16: EVENTS AFTER REPORTING DATE

Subsequent to reporting date, DCP Company Limited:

- signed an agreement with Powershop Australia Pty Ltd to obtain licensing under a white label arrangement whereby Powershop will retail energy to consumers on behalf of DCP;
- met the requirements to have all funds held in escrow released;
- repaid the recoupable grant from Australian Renewable Energy Agency (ARENA) on 10 September 2018;
- appointed Julie Agostino to the board of directors in order to represent the crowdfunding shareholders; and
- secured commitments from additional investors for a combined amount of $4,450,000.

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **NOTE 17: NOTES TO THE STATEMENT OF CASH FLOWS** | | | |
| *(a) Reconciliation of cash and cash equivalents* | | | |
| Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial performance as follows: | | | |
| Cash at bank | | 254,662 | 80,000 |
| Total cash and cash equivalents | | 254,662 | 80,000 |
| *(b) Reconciliation of cash flows from operations with (deficit) for the year* | | | |
| (Deficit) for the year | | (1,693,166) | (92,209) |
| Non-cash flows in (deficit) for the year | | | |
| Share based payment reserve | | 521,500 | - |
| Shares issued to related party | | - | 45,300 |
| Changes in assets and liabilities: | | | |
| Increase in trade and other receivables | | (104,390) | (2,609) |
| Increase in other assets | | (4,038) | (10,047) |
| Increase in trade and other payables | | 55,575 | 59,565 |
| Increase in recoupable grant | | 250,000 | - |
| | | (974,519) | - |

## NOTE 18: COMPANY DETAILS

The principal place of business of the Company is:

142 Gertrude Street
Fitzroy VIC 3065

The registered office of the Company is:

C/- JLGM & CO PTY LTD
119 Park Street
Abbotsford VIC 3067

## DIRECTORS' DECLARATION

In accordance with a resolution by the directors of DCP Company Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 20, are in accordance with the *Corporations Act 2001* and:

   a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and

   b. Give a true and fair view of the financial position of the company as at 30 June 2018 and of its performance for the financial year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

N. Frances Gilley
Director

M. Conheady
Director

A. Laing
Director

Dated this 22nd of October 2018.

# Independent Auditor’s Report
# To the Members of DCP Company Limited

## Opinion

We have audited the financial report of DCP Company Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

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

(a) giving a true and fair view of the Company’s financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements report 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

## Material uncertainty related to going concern

We draw attention to Note 1(j) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter

## Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

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

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company 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.

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 the audit.

Crowe Horwath Melbourne

**CROWE HORWATH MELBOURNE**

**GORDON ROBERTSON**
**Partner**

23 October 2018
**Melbourne**

DC