FIELDsolutions rural regional remote

TELECOMMUNICATIONS + SOFTWARE + CLOUD

Field Solutions Holdings Limited
And Controlled Entities

ABN 92 111 460 121

Annual Report for the year ended 30 June 2018

Contents

30 June 2018

General information

The financial statements cover Field Solutions Holdings Limited as a Consolidated Group consisting of Field Solutions Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Field Solutions Holdings Limited's functional and presentation currency.

Field Solutions Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office
c/- KPMG
33 George Street
LAUNCESTON TAS 7250
AUSTRALIA

Principal place of business
Suite 38
23 Narabang Way
BELROSE NSW 2085
AUSTRALIA

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 6 September 2018. The Directors have the power to amend and reissue the financial statements.

Directors

Dr Kenneth Carr (Non-Executive Chairman)
Mr Andrew Roberts (Executive Director)
Mr Mithila Nath Ranawake (Non-Executive Director)
Mr Wayne Wilson (Non-Executive Director)

Company Secretary

Graham Henderson

Auditors

Hall Chadwick
Level 40, 2 Park Street
SYDNEY NSW 2000
Tel: (02) 9263 2600

Stock exchange listing

Field Solutions Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: FSG).

Computershare Investor Services – share registry
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067
Tel: (03) 9415 5000

Website - www.fieldsolutions-group.com

Corporate governance statement

The directors and management are committed to conducting the business of Field Solutions Holdings Limited in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at:

http://www.fieldsolutions-group.com/governance-documents/

6 September 2018

Fellow Shareholders

It has been an interesting grow year for our company, transitioning into a fully-fledged telecommunications carrier. Our subscribers now number in excess of 7,000, over 2500 on satellite services.

We have grown our network from an initial small footprint to one covering four eastern seaboard states. Our strategy of working closely with rural councils, who have communications responsibilities, but lack the resource and capability to bring these together. Our initial target for the year of working to deploy networks to 6 council areas was achieved after eight months then smashed when we acquired the assets of South West Wireless from administration, it increased to 17, bringing with it a range of new customers.

Our expectations are high again for this coming year, as opportunities expand. The key of course is getting the right return on our capital employed in the networks, and we are mindful of spending your money without an acceptable return. Our goal is to maximise our revenue per customer by focussing on business users first, primarily Councils, Agricultural and Ag suppliers.

More and more we find our customers want to join the “Internet of Things” (IOT) whereby even the smallest devices can be accommodated on the network. As an example water meters for councils to measure any leakage in their pipes, moisture and temperature meters in crops fields and every possible thing from switching on sprinklers to cctv. Our network towers are ready to deploy this new technology, we intend to have the most coverage in rural, regional and remote areas of any telecommunications carrier by the end of this next financial year.

Financially it was pleasing to see real growth in revenue and margin, such that we had a strong and positive and growing EBITDA. Ongoing our challenges are two fold. Signing up more customers to our existing network, and funding the next stage of network growth. We have now engaged dedicated executives in the sales area to drive the customer base additions, and we are working with governments to deploy further assets this year.

I look forward to updating you further at out Annual General Meeting in November.

Dr Ken Carr
Chairman

6 September 2018

Dear Shareholders,

It's been an exciting and challenging year at Field Solutions Group, transitioning to a public entity, then two material acquisitions, ANT communications and the assets and customers of South Western Wireless we are well on the way to being Australia's leading telecommunications carrier for rural, regional and remote Australia.

Our financial performance was pleasing, with significant growth in revenue (43%) and return to a positive EBITDA. These results provide us a robust platform of customers and projects for our future growth.

Our staff mix has changed, and we welcome those from both ANT and SWW to the group. Primarily people in the local regions supporting local people. We now operate offices in Belrose (NSW), Moree (NSW) and Rockhampton (QLD)

Operational Overview

There have been several highlights throughout FY18, not least of which has been the integration of the South Western Wireless business of which we acquired the assets and customers in March 2018. This acquisition has delivered FSG network reach into rural, regional and remote Queensland and southern New South Wales. Of significant note, it assisted us in being awarded the contract to build and operate a first-of-a-kind, shire-wide network project for the Blackall-Tambo Regional Council. That work has been conducted mainly in Q1 FY18/19 and we anticipate further roll out until end of Q2, with subscribers being coming on board early next year. The network build is being funded by the council and local community in partnership with us.

Assets and customers of ANT Communications was acquired early in FY18, providing the group a direct wholesale relationship with NBN co and Optus. These relationships have ensured FSG is well placed to offer rural, regional and remote Australia a compressive set of internet access options, whilst ensuring we are able to purchase directly from source vendors and not via a telecommunications aggregator, thereby increasing our margins over a wide range of offerings.

Our Northern NSW network corridor continues organic growth. From what started as a small-scale pilot in Moree Plains Shire, the network has now expanded and grown from Gunnedah to Goondawindi. This network design and deployment is core to our business model and has grown via a community and local government lead approach, supported by many councils, leading local business and particularly agribusinesses.

From a technology perspective, we have continued to deliver true broadband (symmetric) services across our network. We have built telecommunications towers, constructed Fibre to the Premises and Fixed Wireless networks, and most importantly designed and deployed FSG's Rural Reach delivery model for rural, regional and remote subscribers.

Outlook

Our focus is on serving rural, regional and remote Australia and we are determined to demonstrate this in 2019. We plan to continue our organic growth in Queensland and New South Wales through partnerships and strategic network infrastructure projects and consider where appropriate acquisitions that are accretive to our business.

Our target segments, in rural, regional and remote business, agribusiness and residential users, each have a need for true broadband services delivered by FSG's networks. During 2019 we will deploy on every tower the capability to connect everything IOT. As the country recovers from drought our customers will be looking for any technological advancement to make them competitive, from precision farming to monitoring water and fertiliser use. We are well aware of the challenges and have appointing a COO and head of sales and marketing to drive sales and opportunities to grow your business.

Finally, I would like to thank the board the shareholders and the staff of FSG, for without your significant contribution and support we would not be where we are today.

Andrew Roberts
Group Managing Director and CEO

Your Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Field Solutions Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

General Information

Directors

The following persons were Directors of Field Solutions Holdings during or since the beginning of the financial year up to the date of this report. Particulars of each current Director's experience and qualifications are set out later in the report.

Dr Kenneth Carr
Mr Andrew Jake Roberts
Mr Mithila Nath Ranawake
Mr Wayne Wilson

Operating and Financial review

Principal Activities

The principal activities of the consolidated group (Group) during the financial year were:

- Rural telecommunications carrier
- Retail service provider (internet services)
- Cloud integrated software development and maintenance services

Our business model and objectives

During the year, the Group successfully evolved its core business model to becoming Australia leading telecommunications carrier servicing rural, regional and remote Australia, while maintaining its expertise in managed cloud and hosting services. As the network infrastructure build phase reaches its optimum, we will offer more innovative cloud and related services to our customers together with telco carrier services. The Field Solutions Holdings business model is based on being Australia leading telecommunications carrier servicing rural, regional and remote Australia.

Key elements and underlying objectives of our business model are:

- To deliver "true broadband" being the provision of symmetric services to Rural, Regional and Remote NSW
- To 'not rely' on the current 3G/4G and future 5G technologies for the delivery of broadband in Rural, Regional and Remote Australia
- To work in partnership with each local community to service their exact telecommunications requirements
- To ensure we have local support services in each region where we operate
- To deliver long term, multi-use telecommunication assets in Rural, Regional and Remote NSW

FSG operate as a telecommunications carrier and retail service provider. We build our own infrastructure in partnership with the local government and the local community, deploying telecommunications assets deep into rural, remote and regional Australia. These assets service the technology needs for agribusiness, business and residents, and are sold through our retail brands JustISP and ANT Communications.

The Consolidated Group also delivers wholesale services to selected partner, agents and resellers with focus on servicing other wireless internet service providers, and systems integrators located in rural, remote and regional Australia.

Today, the group operates network in Tasmania, New South Wales and Queensland.

Review of operations

The revenue for the Group was $7,440,673 (2017: $5,208,099) representing an increase of 43%. The Group reported a positive EBITDA of $92,985 (2017: negative $699,452). The significant increase in EBITDA from prior year represents increased operations together with a full year trading. During 2018 year, the Group continued to invest significantly to build its customer base and carrier grade telecommunications network, through acquisitions and its network infrastructure build programme. This effort has seen the Group emerge as Australia’s leading telecommunications carrier servicing Rural, Remote and Regional areas. Field Solutions now operate extensive, independent (non-NBN) broadband networks, offering retail and wholesale services in New South Wales, Queensland and Tasmania under its JustISP and ANT brands. The Group now service 17 local government areas in Rural, Remote and Regional Australia, against a 2018 target of 6.

The Group's network infrastructure build capability has seen it offering true symmetric broadband, non-NBN, fixed wireless, fibre-to-the-premise (FTTP), fibre-to-the-building (FTTB) and Rural Reach Network products and services to its customers. It was also awarded a network construction contract to deliver shire-wide, non-NBN broadband services to the Blackall-Tambo Regional Council in Queensland as well as other network build contracts.

During the year, the Group acquired and integrated selected assets, customers and projects from ANT Communications and South West Wireless Pty Ltd (in administration). As part of the business integration activity, a new Customer Support and Assurance group was established in Rockhampton, Queensland, and a Regional Construction and Support operation in Moree, New South Wales. Further, customer billings, accounting systems and premises were consolidated across the Group.
The Group continues to grow its revenue, and is expected to increase its scale of operations and improve financial performance over the next 12 months.

Significant changes in the state of affairs

There were no significant changes in the company’s state of affairs during the year ended 30 June 2018.

Dividends Paid or Recommended

There were no dividends paid, recommended or declared during the current or previous financial year.

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Eligible to attend	Attended	Held	Attended	Held
Mr Mithila Nath Ranawake	11	12	2	2	4	4
Dr Kenneth Carr	12	12	2	2	4	4
Mr Andrew Roberts	12	12	-	-	4	4
Mr Wayne Wilson	10	12	-	-	4	4

Held: represents the number of meetings held during the time the Director held office.

Information relating to Directors and Company Secretary

Ken Carr - Chairman and Non-Executive Director
(PhD Bus Adm. MBA)

Dr Carr is a seasoned, non-executive director and chair, having held CEO/MD roles in 5 ASX listed companies primarily in the, telecoms, banking, payments and electronic manufacturing sectors and non-executive director roles in 3 others, including 2 as chair.

He is currently a non-executive director Wakenby limited (ASX: WAK). Dr Carr first joined the Freshtel board in February 2010. He has formerly held CEO and Board positions on several listed entities in Australia and overseas, most recently as CEO of Intec Limited (ASX:ITQ), and prior was Managing Director of Rubik Financial Limited (ASX:RFL). Previously he has held senior executive positions at IBM, AT&T, and Lucent Technologies and British Telecom. His main experience is related to corporate restructuring and transformation, which has included several JVs and mergers and acquisitions in many countries. Dr Carr left the Board in February 2013 and re-joined Freshtel on 2 May 2014.

The board considers Dr Ken Carr to be an independent director as Dr Carr is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Mithila Nath Ranawake - Non-Executive Director
(BBus, MBA, CPA, FAICD)

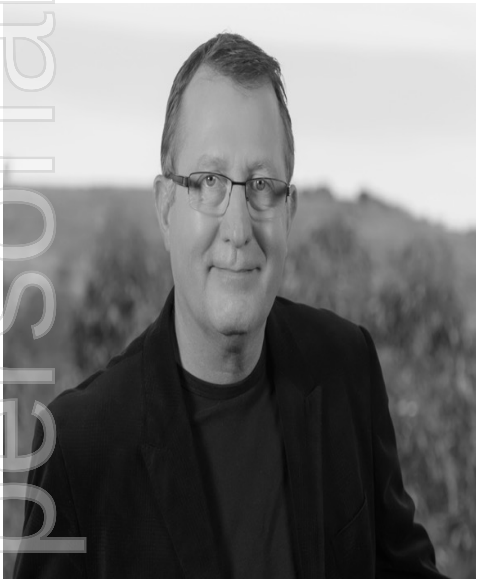
Mr Ranawake was elected to the Freshtel board on 23 November 2010. Mr Ranawake has over 20 years of experience in the telecommunications industry in Asia Pacific, Australia, India and China, combined with a strong background in finance, mergers and acquisitions, information systems, sales, change management, strategy and business development acquired across a number of industries. In his most recent role Mr Ranawake was the chief financial officer of Konekt Limited, a ASX listed workplace health solutions provider. Prior to that he was the CFO of Consistel Group in Singapore where he was instrumental in raising funds from Intel Capital and JAFCO Asia. Prior to joining Consistel, Mithila was the CFO of LongReach Group Limited, an ASX listed Australian telecommunications equipment manufacturer and vendor, where he was involved in raising capital and managing its merger. He has held senior management positions in Telstra Corporation, British Telecom and Marconi. Mr Ranawake also has several years of experience in gas, electric and petroleum industries.

The board considers Mithila Nath Ranawake to be an independent director as Mr Ranawake is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Andrew Roberts - Executive Director
(AICD)

Mr Roberts is a business executive / entrepreneur with over 25 years' experience in the IT industry in Australia, New Zealand, Asia Pacific, and the United Kingdom. He has extensive strategic IT and commercial experience in business aggregation, business analysis/strategy, sales, marketing, professional services, operations and general management. Mr Roberts has direct experience in building and growing IT and cloud-based companies from start-up to sale.

He has previously been a director of Comops Limited (ASX: COM) and was recently head of strategy and cloud operations at Rubik Financial Limited (ASX: RFL). Mr Roberts was also the deputy chair of the Young and Well Cooperative Research Council, a federally funded not-for-profit organisation focusing on the use of technology to assist wellbeing in young people's lives.



Wayne Wilson - Non-Executive Director
(BCom, GradDipAppFin, GAICD)

Mr Wilson has over 29 years' experience in financial services in Australia, working across banking, platforms, asset management, AFSLs, private clients, superannuation, insurance and trustee services.

His previous roles have included Managing Director, Wealth - Rubik Financial Limited (ASX: RFL), Head of Asgard and Advance Asset Management – Westpac, General Manager Wealth Distribution – St George Bank, Director of Distribution Asgard, Securitor, Licensee Select, IBS and Badges – Asgard, Group Executive Private Clients – Perpetual and Head of Marketing for Lend Lease Advisor Services, MLC Advisor Services, Apogee and Garvan Financial Planning – MLC.

The board considers Wayne Wilson to be an independent director as Mr Wilson is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Graham Henderson - Company Secretary
(Brecon, B.A.,M.A., M.Hist.)

Mr Henderson has had many years' experience in the management of public companies, both listed and not for profit entities. He joined Freshtel Holdings as Company Secretary in September 2010, and acted as CFO until the acquisition by Field Solutions in April 2018.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for key management personnel (KMP) performance is competitive and appropriate for the results delivered. The framework aligns executive reward for the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives.

The remuneration policy of Field Solutions Holdings Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and having regard to the current incentive to achieve and earnings milestones pursuant to the acquisition of Field Solutions Group Pty Ltd where short term incentives (STI's) are offered.

The Board has established an employee share option plan (ESOP) which was presented for review and ratification at the 2018 AGM. The Board believes that the current remuneration policy, together with the ESOP to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated Group, as well as to provide goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated Group is as follows:

- All KMP receive a base salary (based on factors such as length of service and experience), superannuation, STI and become eligible to participate in the Company ESOP (subject to Board invitation).
- Other performance incentives (such as STI's) are generally only paid once pre-determined key performance indicators have been met.
- Incentives in the form of ESOP options and shares are intended to align the interests of KMP and the Company with those of shareholders.
- The remuneration committee reviews KMP packages annually by reference to the consolidated Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based on individual and by reference to the consolidated Group's performance. All bonuses and incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance / results leading to long term growth in shareholder wealth.

KMP receive a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE).

Other than the entitlements provided under the Group's defined contribution superannuation arrangements, KMP do not receive any other retirement benefits.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate KMP (including non-executive directors) at market rates for time, commitment and responsibilities. The board currently determines payments to KMP and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting.

Options granted under the ESOP do not carry dividend or voting rights. The board is responsible for determining any conditions attaching to the options (including issue price, exercise price, vesting conditions, and conditions of exercise).

Engagement of Remuneration Consultants
The Board did not engage any remuneration consultants during the financial year. The Board will consider the appropriateness of appointing a remuneration consultant during FY18 to review the elements of KMP remuneration and to provide appropriate recommendations.

Performance based Remuneration
KPIs for management and other staff are set annually, in consultation with the Board Remuneration Committee. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas are those the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and, in some instances, relevant industry standards.

Performance against KPIs is assessed annually, with any KPI related bonuses being awarded based on achievement of the relevant KPIs (see below for further information regarding cash bonuses). Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Field Solutions Holdings Limited bases the assessment on audited figures and quantitative and qualitative data.

Relationship between Remuneration Policy and Company Performance
The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance based bonus based on KPIs, and the second being the establishment of an ESOP (under which KMP are eligible participants, subject to Board invitation) to encourage the alignment of personal and shareholder interests.

The Board is of the opinion that the above remuneration policy will enhance company performance going forward.

Performance Conditions Linked to Remuneration
The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of cash bonus reward schemes, in particular the incorporation of incentive payments based on the achievement of Group budgets. The Group does not currently have any cash bonus rewards schemes tied to the company's share price, preferring at this stage to align such cash bonus rewards to operational performance.

The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and provide a common interest between management and shareholders.

The satisfaction of the KPIs is based on a review of the audited financial statements of the Group.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group for the 2018 year are set out in the following tables.

	Short-term benefits				Long-term benefits	Share-based payments	Performance based	
	Cash salary and fees $	**Cash bonus $**	**Non-monetary $**	**Super-annulation $**	**Long service leave $**	**Equity-settled $**	**% remuneration $**	**Total $**
Non-Executive Directors:								
Dr Kenneth Carr	55,000	-	-	5,225	-	-	-	60,225
Mr Mithila Nath Ranawake	48,000	-	-	4,560	-	-	-	52,560
Executive Directors:								
Mr Andrew Roberts	295,000	-	-	28,025	-	110,587		433,612
Secretary:								
Mr Graham Henderson	48,000	-	-	-	-	-	-	48,000
	446,000	-	-	37,810	-	110,587	-	594,397

Share-based compensation

Issue of shares

Shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2018 are disclosed above.

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation for the period ended 30 June 2018.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	**Balance at the start of the year**	**Received as part of remuneration**	**Additions**	**Disposals/ other**	**Balance at the end of the year**
Dr Kenneth Carr	2,000,000	-	500,000	-	2,500,000
Mr Mithila Nath Ranawake	2,066,667	-		-	2,066,667
Mr Andrew Roberts	185,714,286	3,933,333	1,504,496	-	191,152,115
Mr Wayne Wilson	466,669	-		-	466,669
	190,247,622	3,933,333	2,004,496	-	196,185,451

Option holding
There were no options over ordinary shares in the Company held during the financial year by any Director or other members of key management personnel of the Group, including their personally related parties.

This concludes the remuneration report, which has been audited.

Shares under option

There were 12,433,290 unissued ordinary shares of Field Solutions Holdings Limited based on options outstanding at the date of this report. Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity. There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period. For details of options issued to directors and executives as remuneration, refer to the Remuneration report.

Grant date	Expiry date	Exercise price	Number under option
			Number
1 April 2017	30 Sept 2020	$0.125	2,433,290
8 March 2018	8 March 2020	$0.03	10,000,000
			12,433,290

Shares issued on the exercise of options

There were no shares of Field Solutions Holdings Limited issued as a result of the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Indemnity and insurance of officers

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 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.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Hall Chadwick

There are no officers of the Company who are former partners of Hall Chadwick.

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 immediately after this Directors' report.

Auditor

Hall Chadwick continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Ken Carr
Director

____
Mithila Ranawake
Director

6 September 2018
Australia

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

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Sydney NSW 2001

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Fx: (612) 9263 2800

FIELD SOLUTIONS HOLDINGS LIMITED AND CONTROLED ENTITIES
ABN 92 111 460 121

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FIELD SOLUTIONS HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

S Kumar.

SANDEEP KUMAR
Partner

Date: 6 September 2018

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An Association of Independent Accounting Firms
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Field Solutions Holdings Limited and Controlled Entities
ABN 92 111 460 121
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated Group 2018 $	Consolidated Group 2017 $
Revenue	4	7,440,673	5,208,099
Expenses			
Employee benefit expense		(1,948,022)	(1,653,805)
Depreciation and amortisation		(966,951)	(284,180)
Communication and ISP Costs		(4,096,570)	(1,863,185)
Production costs		(270,764)	(178,141)
Occupancy cost		(213,819)	(235,523)
Software and equipment maintenance		(66,465)	(82,538)
Administration		(752,048)	(375,627)
Listing expense and other acquisition costs		-	(1,518,732)
Profit/(loss) before income tax expense		(873,966)	(983,632)
(Income tax expense)/benefit	5	408,849	(10,956)
Profit/(loss) after income tax expense for the year attributable to the Owners of Field Solutions Holdings Limited	15	(465,117)	(994,588)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the Owners of Field Solutions Holdings Limited		(465,117)	(994,588)
		Cents	Cents
Basic earnings per share	27	(0.12)	(1.37)
Diluted earnings per share	27	(0.12)	(1.37)

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

Consolidated statement of financial position
As at 30 June 2018

	Note	Consolidated Group 2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	6	470,425	3,763,226
Trade and other receivables	7	1,346,806	959,547
Income tax	5	557,503	-
Other	8	-	10,943
Total current assets		2,374,734	4,733,716
Non-current assets			
Property, plant and equipment	9	2,955,398	682,421
Intangibles	10	2,029,527	565,000
Deferred tax	5	192,072	180,400
Total non-current assets		5,176,997	1,427,821
Total assets		7,551,731	6,161,537
Liabilities			
Current liabilities			
Trade and other payables	11	1,265,491	602,592
Employee benefits	12	167,406	45,708
Income tax	5	-	310,612
Total current liabilities		1,432,897	958,912
Non-current liabilities			
Deferred tax	5	10,602	10,602
Total non-current liabilities		10,602	10,602
Total liabilities		1,443,499	969,514
Net assets		6,108,232	5,192,023
Equity			
Issued capital	13	6,318,776	5,029,702
Reserves	14	182,553	90,301
Retained profits	15	(393,097)	72,020
Total equity		6,108,232	5,192,023

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

Consolidated statement of changes in equity
For the year ended 30 June 2018

Consolidated Group	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2016	100	-	1,066,608	1,066,708
Profit after income tax expense for the year	-	-	(994,588)	(994,588)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(994,588)	(994,588)
Issued capital from reverse takeover	5,029,602	-	-	5,029,602
Share reserve - BMS acquisition	-	30,000	-	30,000
Share reserve – Option valuation	-	60,301	-	60,301
Balance at 30 June 2017	5,029,702	90,301	72,020	5,192,023

Consolidated Group	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2017	5,029,702	90,301	72,020	5,192,023
Loss after income tax expense for the year	-	-	(465,117)	(465,117)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(465,117)	(465,117)
Issued capital from capital raise	1,121,776	-	-	1,121,776
Issued capital asset acquisition	200,000	-	-	200,000
Capital raising costs, net of tax	(143,289)	-	-	(143,289)
Issued capital share based payment	110,587	-	-	110,587
Share reserve – Option valuation	-	92,252	-	92,252
Balance at 30 June 2018	6,318,776	182,553	(393,097)	6,108,232

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

Field Solutions Holdings Limited and Controlled Entities
ABN 92 111 460 121
Consolidated statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated Group 2018 $	2017 $
Cash flows from operating activities			
Receipts from customers		7,053,413	5,078,271
Payment to suppliers and employees		(6,590,595)	(4,362,732)
Refund / (payment) of income tax		(452,429)	41,965
Net cash from operating activities	25	10,389	757,503
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(35,000)
Payments for property, plant and equipment	9	(2,551,576)	(627,990)
Payments for intangibles	10	(1,803,844)	-
Net cash used in investing activities		(4,355,420)	(662,990)
Cash flows from financing activities			
Proceeds from issue of shares	13	1,121,776	3,990,000
Costs of raising capital		(69,547)	(184,221)
Acquisition cost		-	(244,608)
Net cash from financing activities		1,052,230	3,561,171
Net increase / (decrease) in cash and cash equivalents		(3,292,801)	3,655,685
Cash and cash equivalents at the beginning of the financial year		3,763,226	107,541
Cash and cash equivalents at the end of the financial year	6	470,425	3,763,226

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Field Solutions Holdings Limited ('Company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Field Solutions Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

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

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

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

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

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

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Note 1. Significant accounting policies (continued)

Rendering of services
Rendering of services revenue from software maintenance fees is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

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

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

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

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

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

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

Property, Plant and equipment	3-20 years
Fixtures and fittings	3-10 years
Motor Vehicles	3-5 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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

Note 1. Significant accounting policies (continued)

Customer contracts
Customer contracts acquired in a business combination or asset acquisition contract are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2-5 years.

Intellectual Property
IP acquired in a business combination or asset acquisition contract is amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2-5 years.

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

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

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

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Note 1. Significant accounting policies (continued)

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.
The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

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

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

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

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

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the Owners of Field Solutions Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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

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

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

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

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

Note 1. Significant accounting policies (continued)

New Accounting Standards for Application in Future Periods
Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9*: Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 July 2018).
  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments requirements for financial instruments and hedge accounting.
  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. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.
  The Group has established an AASB 9 project team and is in the process of completing its impact assessment of AASB 9. Based on a preliminary assessment performed over each line of business and product type, the effects of AASB 9 are not expected to have a material effect on the Group.
- AASB 2014-7: *Amendments to Australian Accounting Standards arising from AASB 9* (December 2014)
  AASB 2014-7 (issued December 2014) gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issue of AASB 9: *Financial Instrument*s (December 2014). More significantly, additional disclosure requirements have been added to AASB 7: *Financial Instruments: Disclosures* regarding credit risk exposures of the entity. This Standard also makes various editorial corrections to Australian Accounting Standards and an Interpretation.
  AASB 2014-7 mandatorily applies to annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted, provided AASB 9 (December 2014) is applied for the same period.
- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 July 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).
  AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The Group has established an AASB 15 project team and is in the process of completing its impact assessment of AASB 15. Based a preliminary assessment performed over each line of business and product type, the effects of AASB 15 are not expected to impact the Group.
- AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
  This Standard amends the mandatory effective date (application date) of AASB 15: *Revenue from Contracts with Customers* so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. Therefore, this Standard also defers the consequential amendments that were originally set out in AASB 2014-5: *Amendments to Australian Accounting Standards arising from AASB 15*. This deferral is achieved in a variety of ways because some of the Standards amended by AASB 2014-5 have been superseded by new principal versions issued in 2015 that apply to annual reporting periods beginning on or after 1 January 2017 or 2018. This Standard amends Interpretation 1052: *Tax Consolidation Accounting to update the cross-references to Standards* and to remove the references to dividends and other distributions, so that the wording of Int 1052.45 is appropriate for annual reporting periods beginning on or after 1 January 2018. AASB 15 is also reformatted to follow the structure of the new principal versions of other Standards by deleting or moving the Aus-numbered "Application" paragraphs.
- AASB 2016-3: Amendments to Australian Accounting Standards – Clarifications to AASB 15
  AASB 2016-3 (issued May 2016) makes amendments to AASB 15 to:
  - clarify the requirements for assessing whether two or more promises to transfer goods or services to a customer are separately identifiable when identifying performance obligations in accordance with AASB 15.27(b) and the factors indicating this assessment;
  - elaborate on the assessment of "control" over goods or services when determining whether an entity is acting as a principal or agent
  - clarify the timing of revenue recognition from licensing transactions; and
  - extend the application of practical expedients on transition to AASB 15.

Note 1. Significant accounting policies (continued)

AASB 2016-3 mandatorily applies to annual reporting periods beginning on or after 1 January 2018, with earlier application permitted.
When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.
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.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements.

Going Concern
The financial statements of the Consolidated Group have been prepared on the going concern basis. As at 30 June 2018 the Group had working capital of $941,837 and reported a loss after tax of $465,117 (2017: loss after tax of $994,588). The Consolidated Group expects that net cash inflows from operating activities will be sufficient to cover the costs of operating. Planned construction activity will be funded by a combination of debt and capital raise being based on specific defined project requirements. The directors are of the opinion that it is reasonable to believe that the Group will be able to pay its debts as and when they fall due and therefore the going concern basis is appropriate.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Warranty provision
In determining the level of provision required for warranties the Group has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Measurement of capitalisation items
The group's accounting policy disclose the requirements for items to be capitalised. The group has established a control framework whereby the amounts capitalised are reviewed based on observable information such as timesheets to ensure the amounts capitalised appropriately reflect the actual costs incurred.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported

Note 3. Operating segments

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group only operates in one business segment being Telco managed cloud and hosting services.

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

Note 4. Revenue

	Consolidated Group	
	2018	**2017**
From operations	**$**	**$**
Sales revenue		
Sales from operations	7,433,492	5,205,335
Other revenue		
Other revenue	7,181	2,764
Revenue	7,440,673	5,208,099

Note 5. Income tax expense/(benefit)

	Consolidated Group 2018 $	Consolidated Group 2017 $
Income tax expense/(benefit)		
Current tax	(414,990)	21,872
Deferred tax	(4,970)	(42,779)
Underprovision for prior year	11,111	31,862
Income tax expense	(408,849)	10,955

	2018 $	2017 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Profit/(loss) before income tax expense	(873,966)	(986,307)
Tax at the statutory tax rate of 27.5%	(240,341)	(271,234)
Income tax expense/(benefit)	(240,341)	(271,234)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Accounting for reverse acquisition	-	(28,318)
Acquired goodwill impaired	-	346,490
Share based payment not deductible	30,411	-
Impact of timing difference not previously brought to account	-	(26,729)
Impact of cost-base resetting	-	4,981
Other non-deductible expenses	101,970	65,904
Benefit of R&D offset	(312,000)	(112,000)
Underprovision for prior year and benefit of timing differences not previously recognised	11,111	31,862
Income tax expense/(benefit)	(408,849)	10,955

	2018 $	2017 $
Deferred tax asset	192,072	180,400
Comprising:		
Transaction cost of equity issue	118,709	142,833
Superannuation accrued not deductible	21,460	14,686
Annual leave provision	46,037	12,570
Provision for doubtful debts	5,866	10,311
Total	192,072	180,400
Provision for income tax	(557,503)	310,612
Deferred tax liability	10,602	10,602
Comprising:		
Property, plant and equipment tax cost base resetting	2,391	2,391
Difference between tax cost base and book value of assets	8,211	8,211
Total	10,602	10,602

Note 6. Current assets - cash and cash equivalents

	Consolidated Group 2018 $	Consolidated Group 2017 $
Cash at bank	470,425	3,763,226

Note 7. Current assets - trade and other receivables

	Consolidated Group 2018 $	Consolidated Group 2017 $
Trade receivables	1,368,136	997,044
Less: Provision for impairment of receivables	(21,330)	(37,497)
	1,346,806	959,547

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 7. The class of assets described as “trade and other receivables” is considered to be the main source of credit risk related to the Group.

The following table details the Group’s trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as “past due” when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount $	Past Due and Impaired $	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms $
			< 30	31–60	61–90	> 90	
2018							
Trade and term receivables	1,389,466	(21,330)	121,616	332,159	145,939	430,296	338,125
Total	1,389,466	(21,330)	121,616	332,159	145,939	430,296	338,125
2017							
Trade and term receivables	997,044	(37,497)	129,244	87,577	39,903	153,679	586,641
Total	997,044	(37,497)	129,244	87,577	39,903	153,679	586,641

Note 8. Current assets - other

	Consolidated Group 2018 $	Consolidated Group 2017 $
Prepayments	-	10,943

Note 9. Non-current assets - property, plant and equipment

	Consolidated Group 2018 $	Consolidated Group 2017 $
Plant and equipment - at cost	3,353,342	665,605
Less: Accumulated depreciation	(542,809)	(200,528)
	2,810,533	465,077
Fixtures and fittings - at cost	304,159	291,286
Less: Accumulated depreciation	(193,771)	(120,442)
	110,388	170,844
Motor vehicles - at cost	60,000	60,000
Less: Accumulated depreciation	(25,524)	(13,500)
	34,476	46,500
	2,955,398	682,421

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment	Fixtures and Fittings	Motor Vehicles	Total
Consolidated Group:				
Balance at 1 July 2016	114,455	99,157	-	213,612
Additions	450,861	117,128	60,000	627,989
Disposals	-	-	-	-
Depreciation expense	(100,239)	(45,441)	(13,500)	(159,180)
Balance at 30 June 2017	465,077	170,844	46,500	682,421
Additions	2,687,737	12,873	-	2,700,610
Disposals	-	-	-	
Depreciation expense	(342,281)	(73,329)	(12,024)	(427,634)
Balance at 30 June 2018	2,810,533	110,388	34,476	2,955,398

On 5 July 2018, Field Solutions entered into a binding heads of agreement to acquire some of the assets of Australian National Telecom Pty Ltd (ANT). ANT provides satellite and fixed line communication services, predominantly in rural and regional Australia.

Consideration of $1,395,912 has been paid in the form of cash and fully paid ordinary shares in FSG to the value of $200,000. The assets acquired include customer contracts, computer software, patents and copyright, furniture and fittings, and property plant and equipment including computer and networking assets.

On 20 March 2018, Field Solutions acquired the assets and customers of South Western Wireless (in administration) - (SWW). Consideration of $590,000 has been paid in the form of cash and assuming balance sheet liabilities of employees. The assets acquired include property, plant and equipment including telco network assets.

Note 10. Non-current assets - intangibles

	Consolidated Group 2018 $	Consolidated Group 2017 $
Customer Contracts	1,547,364	65,000
Computer software and IP	1,146,478	625,000
	2,693,842	690,000
Less: Accumulated amortisation	(664,315)	(125,000)
Less: Impairment losses	-	-
	2,029,527	565,000

Impairment disclosures
No goodwill is carried in the accounts at 30 June 2018.

	Customer Contracts and costs	Computer software and IP	Total
Consolidated Group:			
Balance at 1 July 2016	-	625,000	625,000
Additions	65,000	-	65,000
Disposals	-	-	-
Amortisation expense	(25,000)	(100,000)	(125,000)
Balance at 30 June 2017	40,000	525,000	565,000
Additions	1,482,364	521,478	2,003,842
Disposals	-	-	-
Amortisation expense	(384,455)	(154,860)	(539,315)
Balance at 30 June 2018	1,137,909	891,618	2,029,527

Intangible assets include those acquired during the year from ANT including customer contracts, IP and in-house software ($1,243,702), customer contracts acquired ($238,662) and in-house software developed including the wholesale portal and telco billing system ($521,478) together with associated costs.

Product development costs
Expenditure on research activites is recognised as an expense in the income statement in the period in which it is incurred. Where no internally generated intangible asset can be recognised, development expensiture is rescognised as an expense in the income statement in the period as incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:
- the technical feasibility of completing the intangible assets so that it will be avalibale for use or sale
- the intention to complete the intangible asset to use or sell it
- the ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The expenditure capitalised includes the cost of direct labour and materials that are directly attributable to preparing the asset for its intended use.
Product development assets are stated at cost less accumulated amortisation and impairment and are amortised on a straight-line basis over their useful lives, which is up to a maximum of 5 years.

Note 11. Current liabilities - trade and other payables

	Consolidated Group 2018 $	Consolidated Group 2017 $
Trade Payables	831,612	293,289
Other payables and accruals	433,879	309,303
	1,265,491	602,592

Note 12. Current liabilities - employee benefits

	Consolidated Group 2018 $	Consolidated Group 2017 $
Employee benefits	167,406	45,708

Note 13. Equity - issued capital

	Consolidated Group			
	2018 Shares	2017 Shares	2018 $	2017 $
Ordinary shares-fully paid	**430,014,401**	**363,508,274**	**6,318,776**	**5,029,702**

Movements in ordinary share capital	Issue Date	Consolidated Group 2018 shares	Consolidated Group 2018 $
Ordinary shares - fully paid, opening balance		363,508,274	5,029,702
Placement - Directors	25 July 2017	120,000	3,374
Placement - Directors	25 July 2017	3,813,333	107,213
Placement – Facilitation of acquisition	15 December 2017	6,483,994	200,000
Placement – public issue	6 March 2018	56,088,800	1,121,776
Share issue cost (net of tax)		-	(143,289)
		430,014,401	6,318,776

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 member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 13. Equity - issued capital (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2017 Annual Report.

Note 14. Equity - reserves

	Consolidated Group	
	2018	**2017**
	$	**$**
Shares reserve pursuant to business acquisition	30,000	30,000
Options reserve	152,553	60,301
Total reserves	182,553	90,301

The share reserve is for shares issued pursuant to the BMS acquisition which is expected to finalise by 31 December 2018. Reserves are the fair value of the options, granted on grant date as detailed in Note 21.

Note 15. Equity - retained profits

	Consolidated Group	
	2018	**2017**
	$	**$**
Retained profits at the beginning of the financial year	72,020	1,066,608
Profit/(loss) after income tax expense for the year	(465,117)	(994,588)
Retained profits at the end of the financial year	(393,097)	72,020

Note 16. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

The totals for each category of financial instruments, measured in accordance with AASB 139 are as follows:

	Note	2018 $	2017 $
Financial assets			
Cash and cash equivalents	6	470,425	3,763,226
Trade receivables	7	1,346,806	959,547
Total financial Assets		1,817,231	4,722,773
Financial liabilities			
Trade and other payables	11	1,265,491	602,592
Total financial liabilities		1,265,491	602,592

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest risk.

Credit risk

The Group is not exposed to any significant credit risk.

Impairment of receivables

The Group has no impairment of receivables

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18. Key management personnel disclosures

Directors
The following persons were Directors of Field Solutions Holdings Limited during the financial year:

Dr Kenneth Carr
Mr Andrew Jake Roberts
Mr Mithila Nath Ranawake
Mr Wayne Wilson

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Mr Graham Henderson (Company Secretary)

Compensation
Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2018

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2018	2017
	$	$
Short-term employee benefits	446,000	389,677
Post-employment benefits	37,810	18,209
Other long-term benefits	-	-
Share-based payments	110,587	-
Total KMP compensation	594,397	407,886

Short-term employee benefits
These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits
These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits
These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments
These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Note 19. Related party transactions

Parent entity
Field Solutions Holdings Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 23.

Key management personnel
Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the Directors' report.

Transactions with related parties
The Group's related parties are only with key management. Unless otherwise stated, none of the transactions incorporate special terms and no guarantees were given or received. Outstanding balances are usually settled in cash.

Note 20. Parent entity information

The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards.
Statement of profit or loss and other comprehensive income

	Parent	
	2018 $	2017 $
Profit after income tax	431,333	518,608
Total comprehensive income	431,333	518,608

Statement of financial position

	Parent	
	2018 $	2017 $
Total current assets	1,189,037	1,263,647
Total assets	3,722,826	2,702,424
Total current liabilities	486,527	925,350
Total liabilities	497,128	935,952
Equity		
Issued capital	1,122,886	100
Capital raising cost	(41,992)	-
Share issue reserve	122,252	30,000
Retained profits	2,022,552	1,618,359
Total equity	3,225,698	1,755,576

Note 20. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 21. Options

A summary of the movements of all Group options issues is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 1 July 2016	74,911,796	$0.1250
Granted	46,819,841	$0.00865
Exercised no 1	(46,042)	$0.00866
Exercised no 2	(21,072)	$0.00866
Consolidation 1:50	(119,231,233)	
Options outstanding as at 30 June 2017	2,433,290	$0.125
Options outstanding as at 30 June 2018	12,433,920	$0.04859
Options exercisable as at 30 June 2018	12,433,920	$0.04859
Options exercisable as at 30 June 2017	2,433,290	$0.125

No options were exercised during the year ended 30 June 2018.

The weighted average remaining life of options outstanding at year-end was 1.8 years.

The weighted average fair value of options granted during the year was $92,252. These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price:	$0.03
Weighted average life of the option:	2 years
Expected share price volatility:	87%
Risk-free interest rate:	1.97%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.
The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Note 22. Share based payment

On 25 July 2017 120,000 ordinary shares have been issued to the Chief Executive Officer, Andrew Roberts.

On 18 December 2017, in accordance with the resolution approved at the AGM of Field Solutions Holding Limited (ASX: FSG) 3,813,333 ordinary shares have been issued to the Chief Executive Officer, Andrew Roberts.

	Fair Value $
Share based payment	110,587
Total	110,587

Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2018 %	2017 %
Freshtel Australia Pty Ltd	Australia	100%	100%
Freshtel Pty Ltd	Australia	100%	100%
FSG Infrastructure Pty Ltd (previously Voicedot Networks Pty Ltd)	Australia	100%	100%
FSG Construction Pty Ltd (previously Virbiage Pty Ltd)	Australia	100%	100%
Field Audit Pty Ltd	Australia	100%	100%
Field Solutions Group Pty Ltd	Australia	100%	100%
FSG RSP Pty Ltd (incorporated 24 July 2017)	Australia	100%	-
Field Solutions Technology Services Pty Ltd	Australia	100%	100%

Note 24. Events after the reporting period

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

Note 25. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated Group 2018 $	Consolidated Group 2017 $
Profit/(loss) after income tax expense for the year	(465,117)	(994,588)
Adjustments for:		
Depreciation and amortisation	966,951	284,180
Increase in trade and other receivables	(387,259)	(129,828)
Acquisition and other listing costs	-	1,518,732
Increase / (decrease) in other assets	10,943	(10,945)
Increase in trade payables	662,899	36,619
Share based payment	110,587	-
Tax payable	(861,278)	52,921
Increase/ (decrerase) in annual leave provision	(27,337)	413
Net cash from operating activities	10,389	757,503

Note 26. Contingent Liabilities

There are no contingent liabilities as at 30 June 2018.

Note 27. Earnings per share

	Consolidated Group 2018 $	Consolidated Group 2017 $
Profit/(loss) after income tax attributable to the Owners of Field Solutions Holdings Limited	(465,117)	(994,588)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	383,185,908	72,450,095
Weighted average number of ordinary shares used in calculating diluted earnings per share	383,185,908	72,450,095
	Cents	Cents
Basic earnings per share	(0.12)	(1.37)
Diluted earnings per share	(0.12)	(1.37)

Note 28. Lease Commitments

Non-cancellable operating lease commitments not capitalised in the financial statements

	Consolidated Group	
	2018	2017
	$	$
Not later than one year	58,932	39,952
Later than one year but not later than five years	235,775	218,615
Later than five years	-	-
Total payable – Minimum lease payments	294,707	258,767

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick Pty Ltd, the auditor of the Company:

	Consolidated Group	
	2018	2017
	$	$
Auditing or review of the financial statements	58,500	52,500
Taxaton service	4,500	12,000
Due diligence service	-	46,829
Total	63,000	111,329

Note 30. Company Details

The registered office and principal place of business of the Company are:

Registered office
c/- KPMG
33 George Street
LAUNCESTON TAS 7250
AUSTRALIA

Principal place of business
Suite 38
23 Narabang Way
BELROSE NSW 2085
AUSTRALIA

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Dr Kenneth Carr
Director and Chairman

____
Mr Mithila Nath Ranawake
Director

6 September 2018
Australia

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

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FIELD SOLUTIONS HOLDINGS LIMITED AND CONTROLLED ENTITIES
ABN 92 111 460 121

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIELD SOLUTIONS HOLDINGS LIMITED

Opinion

We have audited the financial report of Field Solutions Holdings Limited and controlled entities (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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Field Solutions Holdings Limited and controlled entities is in accordance with the Corporations Act 2001,including:

i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(a) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 has been given to the directors of the company.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2018. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

HALL CHADWICK (NSW)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Revenue Recognition Refer to Note 1 for the groups' revenue accounting policy. Service revenue from software maintenance fees and hosting services are recognised by reference to performance obligations under the contract. Completion of service is measured and recorded in the project management tool. Consulting revenue is recognised when consulting services have been provided. We focused on this matter as a key audit matter as there is a risk that revenue may not be recognised in accordance with revenue recognition principles of AASB 118 Revenue.	Our procedures included, amongst others: We obtained an understanding of the key controls in the revenue recognition cycle. We obtained a sample of contracts and traced the terms and conditions to ensure that revenue was recognised in accordance with AASB 118 Revenue. We verified a sample of revenue to supporting documentations and ensured that revenue has been correctly recognised.
Property, Plant and Equipment Refer to the Note 9 property, plant and equipment. The group has $2,955,398 of property, plant and equipment at 30 June 2018. During the year the group made additions of $2,700,610 mainly by acquiring assets from Australian National Telecom Pty Limited and South Western Wireless Communications Company Pty Ltd. Included in the additions, the company also capitalised $529,462 of costs associated with constructing and installing certain specialised assets during the year ended 30 June 2018. We focussed on this matter as a key audit matter as property, plant and equipment is the most significant asset of the group and critical to the operations of the group.	Our procedures included amongst others: We read the relevant acquisition agreements to understand the key terms and conditions, and confirming our understanding of the agreement terms with management. We assessed the policies in place for capitalising costs associated with constructing and installing specialised assets. On a sample basis we tested costs capitalised to supporting documentation and payroll records. We assessed the appropriateness of whether the costs capitalised were eligible to be recognised as assets in accordance with the accounting standards AASB 16: Property, Plant and Equipment. We assessed other observable indicators of fair value including market capitalisation of the group.

HALL CHADWICK (NSW)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Intangible Assets Refer to Note 10 Intangible Assets. The Group has $2,029,527 of intangible assets at 30 June 2018 which is mainly comprised of costs associated with development and enhancement of its proprietary technology. The Group capitalised $521,478 of development costs during the year ended 30 June 2018. Also during the year the group made additions of $1,482,364 by mainly acquiring intangible assets from Australian National Telecom Pty Limited and South Western Wireless Communications Company Pty Ltd. AASB 138 Intangible Assets sets out the specific requirements to be met in order to capitalise development costs. The process to measure the amount of development costs to capitalise involves significant management judgement in assessing whether costs meet the recognition criteria described in AASB 138. This area is a key audit matter due to the degree of subjectivity and management judgement applied in assessing whether costs meet the recognition criteria described in AASB 138: Intangible Assets.	Our procedures included amongst others: On a sample basis we tested costs capitalised to supporting documentation and payroll records. We assessed the appropriateness of whether the costs capitalised were eligible to be recognised as intangible assets in accordance with the accounting standards AASB 138: Intangible Assets. We read the relevant acquisition agreements to understand the key terms and conditions, and confirming our understanding of the agreement terms with management.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual 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 and *the Corporations Act 2001* and for such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit` conducted in accordance with 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the director's 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, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 11 of the directors' report for the year ended 30 June 2018. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the remuneration report of Field Solutions Holdings Limited, for the year ended 30 June 2018, complies with s 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

SKumar

Sandeep Kumar
Partner
Dated: 6 September 2018

Field Solutions Holdings Limited and Controlled Entities
ABN 92 111 460 121
Shareholder information
30 June 2018

The shareholder information set out below was applicable as at 30 June 2018.

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% total shares issued
Convergent Technology	186,464,286	43.36
HOLDREY PTY LTD <DON MATHIESON FAMILY A/C>	16,305,136	3.79
ELLENKAY PTY LTD <ELLENKAY P/L STAFF S/F A/C>	9,622,020	2.24
GBBM PTY LIMITED <BERESFORD A/C>	7,601,330	1.77
SMC CAPITAL PTY LTD <SMC CAPITAL A/C>	7,000,000	1.63
MR RICHARD VICTOR GAZAL	5,000,000	1.16
RATT SUPERANNUATION PTY LTD <RATT SUPER FUND A/C>	4,520,000	1.05
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,424,514	1.03
ACTION SUPERANNUATION PTY LTD <FRANK SERGI RETIRE FUND A/C>	4,400,000	1.02
MR RICHARD PROPERT WILLIAMS + MRS CATHERINE WILLIAMS <R & C WILLIAMS S/F A/C>	4,000,000	0.93
MR ANDREW ROBERTS	3,835,683	0.89
CITYSTYLE HOLDINGS PTY LTD <GERDA TWO A/C>	3,723,162	0.87
MR BRUCE MILTON WEISE + MRS BARBARA KATHLEEN WEISE <WEISE FAMILY SUPER FUND A/C>	3,700,000	0.86
SOOTHJET PTY LIMITED <SPA SUPER FUND A/C>	3,525,666	0.82
EXTREME OUTDOOR PTY LTD <THE BURGE A/C>	3,500,000	0.81
L & H MCGUIRE SUPER PTY LTD <MCGUIRE SUPERANNUATION A/C>	3,350,000	0.78
AUSWED SECURITIES PTY LTD <AUSWED SUPER A/C>	3,241,997	0.75
KERRIE PATRICIA CROAKER + STUART GLENDON CROAKER <CROAKER SUPER FUND A/C>	3,241,997	0.75
MR MARK ANTHONY BETAR + MRS LYNETTE LEE BETAR <M BETAR RETAIL P/L S/F A/C>	3,000,000	0.70
KORE CAPITAL PTY LTD	3,000,000	0.70
	283,455,791	65.92

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Convergent Technology	186,464,286	43.36