



VOLT POWER GROUP LIMITED

ABN 62 009 423 189

ANNUAL REPORT

For the year ended 31 December 2017

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Corporate Directory

ABN: 62 009 423 189

Directors

Simon Higgins
Non-Executive Chairman

Adam Boyd
CEO and Managing Director

Peter Torre
Non-Executive Director

Company Secretary

Ian Sydney

Principal place of business

1 Channel Close
Henderson WA 6166
ph (08) 9437 4966

Registered office

Unit B9, 431 Roberts Road
Subiaco WA 6008

Share register

Link Market Services Pty Ltd
Level 12
250 St George's Terrace
Perth WA 6000

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors

DLA Piper
Level 31
152-158 St George's Terrace
Perth WA 6000

Bankers

Commonwealth Bank of Australia
Corporate Financial Services
Level 14C, 300 Murray Street
Perth WA 6000

Stock Exchange Listings

Australian Securities Exchange (ASX)
ASX Code: VPR

Website

www.votlpower.com.au

Corporate Governance Statement

Volt Power Group Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Volt Power Group Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2017 corporate governance statement is dated as at 28 April 2017 and reflects the corporate governance practices in place throughout the financial year. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at www.voltpowergroup.com.au/about.

Corporate and Operational Review

The directors provide you with the following corporate and operational review of the consolidated entity (referred to hereafter as the Group) consisting of Volt Power Group Limited ("Volt" or "the Company") and the entities it controlled at the end of, or during, the year ended 31 December 2017.

1. Summary

(a) Operations

- At a general meeting of shareholders on 28 April 2017, it was resolved that the Company undertake a capital raising via a private placement of shares to ECM and parties procured by ECM at an issue price of \$0.001 per share to raise \$5,600,000 before costs subject to certain conditions.
- On 10 May 2017, the Company's wholly owned subsidiary, Enerji Holdings Pty Ltd exited administration, upon the effectuation of a Deed of Company Arrangement. All claims of Enerji Holding's creditors, prior to the appointment of the administrator, have now been extinguished.
- On 19 May 2017, the Company exited administration, upon the effectuation of a deed of company arrangement. All claims of creditors (except for any excluded claims) against the Company have now been extinguished.
- On 31 May 2017, at the Company's Annual General Meeting, members resolved via special resolution to change the company name from Enerji Ltd to Volt Power Group Limited. This name change took effect from 1 June 2017.
- The Recapitalisation was completed and 5,600,000,000 fully paid ordinary shares were issued on 2 June 2017.
- The Company's shares were reinstated to trading on the ASX from Wednesday 14 June 2017.
- The Group completed a detailed process engineering review of the ATEN Technology, focusing on process flow rates, electricity generation performance, efficiency improvements and reliability enhancements. The engineering review confirmed the technical viability of the ATEN Technology and identified several flowsheet enhancement opportunities that are expected to improve the efficiency and commercial viability of the ATEN Technology (ATEN Engineering Review).
- The Group has also completed a preliminary feasibility study into the installation of the ATEN Technology at a mine site power station located in Western Australia (Preliminary Feasibility Study). The Preliminary Feasibility Study included a review of the critical equipment and technologies that comprise the ATEN Technology (ATEN Technology Review). The ATEN Technology Review was undertaken to ensure the ATEN Technology was capable of achieving maximum potential performance efficiency combined with lowest life-cycle maintenance and operating costs.
- A commercial proposal to install the ATEN Technology at the aforementioned mine site power station has been presented to the mine owner for consideration. Discussions are continuing between the mine owner and the Company to finalise arrangements for the provision of critical services to and installation of the ATEN Technology at the mine site power station.
- On 21 December 2017, the Company completed the acquisition of 50% of the issued capital of EcoQuip Australia Pty Ltd (EcoQuip). EcoQuip is a developer, manufacturer and supplier of innovative mobile solar / Li-Ion battery powerbox towers compatible with LED lighting, LTE/Wi-Fi repeater communication solutions and CCTV solution retro-fit (MSPT). EcoQuip owns a rental fleet of 25 LED lighting MSPT units supplied under contract to infrastructure construction and resource sector companies.
- EcoQuip secured and advanced to near completion an order to design and manufacture diesel fueled lighting skids and mobile towers for AngloGold Ashanti Australia Pty Limited for the Tropicana Gold Mine. The equipment order was completed in two tranches with the final delivery of equipment occurring during February 2018.

- Consideration for the 50% EcoQuip investment comprised the issue of 50,00,000 Volt shares to interests associated with the EcoQuip founder and a share subscription payment to EcoQuip of \$1,000,000 in cash as consideration for the issue of new EcoQuip shares to the Company. The \$1,000,000 cash investment was funded from the Company's cash reserves.
- Subsequent to year end, on 24 January 2018, the Company completed the acquisition of 100% of the issued shares of Wescone Distribution Pty Ltd, a leading supplier of proprietary sample crushing equipment to the global iron ore industry. Consideration for the purchase comprised a total of \$4,750,000 cash, the issue of 100,000,000 Volt shares and the grant of a revenue royalty to the vendor (Wescone Acquisition).
- To finance and conclude the Wescone Acquisition, the Company successfully completed a \$4,750,000 capital raising (before costs).

(b) Financial performance and financial position

The financial results of the Group for the year ended 31 December 2017 are summarised as follows:

	2017 \$	2016 \$	% Change
Revenue	-	-	0%
Profit/(loss) for the period attributable to members	2,625,618	(2,548,183)	203%
Profit/(loss) per share	0.068	(0.444)	115%
Cash and cash equivalents	2,988,650	250,926	1091%
Net tangible asset / (deficiency) per share	0.0005	(0.0097)	105%

The Group made a profit for the year of \$2,625,618 (2016: loss of \$2,548,183), experienced net cash inflows from operating activities of \$170,347 (2016: cash outflow of \$778,830) and has a net asset balance of \$3,184,822 (2016: deficiency of \$5,754,445).

The profit for the year includes the following items of significance:

- a gain on effectuation of the Enerji Limited deed of company arrangement of \$1,132,476;
- a gain on effectuation on the deed of company arrangement of the wholly owned subsidiary, Enerji Holdings Pty Ltd, of \$2,419,475; and
- the Group's 2016 research and development tax rebate of \$361,959.

Directors' report
For the year ended 31 December 2017

The directors present their report together with the financial report of the consolidated entity (referred to hereafter as the Group) consisting of Volt Power Group Limited ("Volt" or "the Company") and the entities it controlled at the end of, or during, the year ended 31 December 2017 and the auditor's report thereon.

1. Directors

The names of the Company's directors in office during the year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- | | |
|--------------------|---|
| • Mr Simon Higgins | Non-Executive Chair (appointed 28 April 2017) |
| • Mr Adam Boyd | Chief Executive Officer and Managing Director (appointed 28 April 2017) |
| • Mr Peter Torre | Non-Executive Director (appointed 28 April 2017) |
| • Mr Rod Phillips | Non-Executive Chair (resigned 28 April 2017) |
| • Mr Peter Avery | Non-Executive Director (resigned 28 April 2017) |
| • Mr John Dekker | Non-Executive Director (resigned 28 April 2017) |

2. Directors and officers

Simon Higgins – Non-Executive Chair (appointed 28 April 2017)

Mr Higgins is currently the Chief Executive Officer and Managing Director of the ECM group of companies. ECM is a leading construction and maintenance company servicing clients in the mining, oil and gas, power generation and infrastructure sectors.

During his tenure at ECM, Mr Higgins has overseen significant growth and development, including the diversification of service offering, entry into the oil and gas sector and interstate and intrastate expansion.

Mr Higgins is a past chairman of the National Electrical and Communications Association (NECA) WA, Electrical Group Training and the College of Electrical Training.

Other current and former directorships in last 3 years

None

Special responsibilities

Chair of the board

Interests in shares and options

775,000,000 ordinary shares in Volt Power Group Limited
Nil options in Volt Power Group Limited

Adam Boyd – Managing Director (appointed 28 April 2017)

Mr Boyd most recently served as Chief Executive Officer and Managing Director of Pacific Energy Limited (ASX: PEA) from June 2006 to March 2015. During his tenure at Pacific Energy Limited, Mr Boyd led the company to becoming the pre-eminent remote mine site contract power business in Australia, with a 250 MW generation footprint across Australia. During this period Pacific Energy's enterprise value increased from \$9 million to approximate \$250 million.

Prior to joining Pacific Energy Limited, Mr Boyd was a senior executive with Global Renewables Group when it was jointly owned by GRD Limited and Hastings Fund Management Limited. During that tenure Mr Boyd was principally involved in the successful commercialisation of the Global Renewables alternative waste treatment and renewable energy process technology in Australia and the United Kingdom.

Mr Boyd is a renewable infrastructure and energy specialist with considerable experience in areas of resource sector power generation, energy and waste infrastructure project development, business development and business acquisitions, technology commercialisation, public company management and equity and credit finance.

Other current and former directorships in last 3 years

Managing Director and Chief Executive Officer of Pacific Energy Limited from June 2006 to March 2015.

Special responsibilities

None

Interests in shares and options

710,000,000 ordinary shares in Volt Power Group Limited

350,000,000 options in Volt Power Group Limited

Peter Torre - Non-Executive Director (appointed 28 April 2017)

Mr Peter Torre is a chartered accountant, a chartered secretary and a member of the Australian Institute of Company Directors.

Mr Torre is the principle of Torre Corporate, an advisory firm which provides corporate secretarial services to a range of ASX listed companies. He was previously a partner of an internationally affiliated firm of chartered accountants working within its corporate services division.

Mr Torre was the Company Secretary of the Company from September 2014 until 28 April 2017.

Other current and former directorships in last 3 years

Currently a director of Mineral Commodities Ltd

Special responsibilities

None

Interests in shares and options

25,000,000 ordinary shares in Volt Power Group Limited

Nil options in Volt Power Group Limited

Ian Sydney - Company Secretary (appointed 22 August 2017)

Mr Sydney is a CPA and Corporate Governance professional. Mr Sydney has over 25 years' experience as an accountant and company secretary working for mining companies, oil and gas companies and large contracting companies.

3. Directors' meetings

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Meetings held	Meetings attended
Simon Higgins	2	2
Peter Torre	2	2
Adam Boyd	2	2
Rod Phillips	1	1
Peter Avery	1	1
John Dekker	1	-

Number of meetings held is for the time the director held office during the year.

Other matters of Board business have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of Directors held to control, implement and monitor the Company's activities throughout the year.

4. Principal activities

The principal activities of the Group during the financial year were:

- Effectuation of deeds of company arrangements that allowed the Company and its wholly owned subsidiary, Enerji Holdings Pty Ltd to exit administration.
- Recapitalisation of the Company via a private placement of shares to ECM and parties procured by ECM to raise \$5,600,000 before costs, and subsequent reinstatement to trading on the ASX.
- Completion of the ATEN Technology Review and ATEN Engineering Review that identified opportunities to improve the efficiency and viability performance of the Company's ATEN Technology.
- Completion of the Preliminary Feasibility Study into the installation of the ATEN Technology at a mine site power station located in Western Australia.
- Presentation of a commercial proposal to install the ATEN Technology at the aforementioned mine site to the mine owner for consideration.

- The acquisition of 50% of the issued capital of EcoQuip Australia Pty Ltd (EcoQuip), a leading developer, manufacturer and supplier of mobile solar / Li-Ion battery enabled powerbox towers compatible with LED lighting, LTE/Wi-Fi repeater and CCTV solution retro-fit.

5. Incomplete records

The 2016 Financial Report was prepared by Directors who were in office for the entire period presented in that report, however their duties and responsibilities were suspended from the date the Company entered administration, 18 October 2016. For the period in which the Company was in administration, until the effectuation of the DOCA in May 2017, the Directors did not have oversight or control over the Group's financial reporting systems, including (but not limited to) being able to obtain access to complete accounting records of the Company. Every reasonable effort was made by the Directors to ascertain the true position of the Company as at 31 December 2016, however the Directors are of the opinion that it is not possible to state that the 2016 comparative financial statements, and the gain on effectuation of the DOCA of \$3,551,951 recognised in the Statement of Profit or Loss for the year ended 31 December 2017, and accompanying notes were in accordance with the Corporations Act 2001.

6. Dividends

There were no dividends paid or declared by the Company to members since the end of the previous financial year.

7. Operational and financial review

Information on the operations and financial position of the group and its business strategies and prospects is set out in the corporate and operational review on pages 4 – 5 of this annual report.

8. Use of cash and assets readily convertible to cash

The Group has used its cash and assets readily convertible to cash during the period since relisting on the ASX (14 June 2017 to 31 December 2017) in a way that was consistent with its business objectives.

9. Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

- The exiting from administration of the Company and its wholly owned subsidiary, Enerji Holdings Pty Ltd.
- Recapitalisation of the Company with the raising of \$5,600,000 before costs.
- The acquisition of 50% of the EcoQuip business.

10. Events since the end of the financial year

The following events have occurred since the end of the financial year:

- The acquisition of 100% of the issued shares of Wescone Distribution Pty Ltd, a leading supplier of proprietary sample crushing equipment to the global iron ore industry. Consideration for the purchase comprised a total of \$4,750,000 cash and the issue of 100,000,000 Volt shares (Wescone Acquisition). Refer to note 34 for further details.
- To finance and complete the Wescone Acquisition, the Company successfully undertook a \$4,750,000 capital raising (before costs). Refer to note 34 for further details.

11. Likely developments and expected results of operations

The following events are likely to occur over the coming year:

- Advancement of arrangements for the provision of services to and installation of the ATEN Technology at a mine site power station and commencement of the front-end engineering design for the installation of the ATEN Technology.
- Continuation of the Company's activities in relation to the expansion of its power generation footprint through the development and/or acquisition of micro-grid power supply solutions and other power generation assets that can further the exploitation and roll-out of the ATEN technology.
- Activity to grow the EcoQuip business through the design completion and manufacture of a new generation MSPT solution for supply under rental contract with infrastructure construction and resource sector companies.
- Transition of the Wescone business from an equipment sale and service business model to a recurring revenue 'serviced exchange equipment rental' business model, and expansion of the Wescone W300 sample crusher footprint into new and existing customer project opportunities.

12. Environmental regulation

The Group is subject to environmental regulation in respect of any continuing operations. There have been no significant known breaches of any environmental regulations to which the Group is subject.

13. Remuneration report (audited)

This Remuneration Report sets out information about the remuneration of the key management personnel (KMP) of the Company and its controlled entities for the year ended 31 December 2017. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001.

The Report details the remuneration arrangements for the Group's key management personnel:

- Non-executive directors (NED's); and
- Executive directors and senior executives (collectively the Executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and the Group.

The Company was in administration from 18 October 2016 to 19 May 2017. During the period of administration, the Administrators were responsible for the remuneration policies of the Company.

The Directors who are in office at the date of this report had no involvement in adopting, implementing or complying with those remuneration policies during the period in which the Company was in administration. These policies may or may not have been in place during the period in which the Company was in administration.

The report is structured as follows:

- (a) Key Management Personnel (KMP) covered in this report
- (b) Remuneration policy, link to performance and elements of remuneration
- (c) Link between remuneration and performance
- (d) Contractual arrangements for executive KMP
- (e) Remuneration expenses for executive KMP
- (f) Non-executive director arrangements
- (g) Share-based compensation
- (h) Other statutory information

(a) Key Management Personnel (KMP) covered in this report

The table below outlines the KMP of the Group covered in this report.:

Name	Position	Term as KMP
Non-executive directors		
Mr Simon Higgins	Non-Executive Chair	Appointed 28 April 2017
Mr Peter Torre	Non-Executive Director	Appointed 28 April 2017
Mr Rod Phillips	Non-Executive Chair	Resigned 28 April 2017
Mr Peter Avery	Non-Executive Director	Resigned 28 April 2017
Mr John Dekker	Non-Executive Director	Resigned 28 April 2017
Executives		
Mr Adam Boyd	Managing Director and CEO	Appointed 28 April 2017

Changes since the end of the reporting period

There have been no changes to the non-executive directors and other key management personnel covered in this report since the end of the reporting period.

(b) Remuneration policy, link to performance and elements of remuneration

The Company's remuneration committee is comprised of the Chair and a non-executive director. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- (i) competitive and reasonable, enabling the company to attract and retain key talent,
- (ii) aligned to the company's strategic and business objectives and the creation of shareholder value,
- (iii) transparent and easily understood, and
- (iv) acceptable to shareholders.

During the reporting period, no payments were made to a person before the person took office as part of the consideration for the person agreeing to hold office.

Non-executive directors

On appointment to the Board, all non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

Presently no element of non-executive director remuneration is 'at risk', that is, fees are not based on the performance of the Company or equity based.

Executive management

Executive management have authority and responsibility for planning, directing and controlling the activities of the company. Compensation levels for executive management of the Company are set competitively to attract and retain appropriately qualified and experienced senior executives.

The compensation structures for executives are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of the creation of value for shareholders. The compensation structure takes into account the executives' capability and experience, level of responsibility and ability to contribute to the Company's performance, including the establishment of revenue streams and growth in shareholder returns.

Fixed compensation consists of a base salary or fee (calculated on a total cost basis, including any fringe benefits tax related to employee benefits) as well as employer contributions to superannuation funds. The board through a process that considers individual and company achievement reviews compensation levels annually.

(c) Link between remuneration and performance

The Group has in place an Incentive Option Scheme (long-term incentive (LTI) scheme), the purpose of which is to:

- (i) encourage participation by Eligible Participants in the Company through Share ownership; and
- (ii) attract, motivate and retain Eligible Participants.

At present the Group does not have any short-term incentive (STI) scheme, but the remuneration committee will consider this in due course.

Options were issued to the Managing Director as part of his package, which represent performance linked remuneration.

Key performance indicators of the group over the last five years:

	Y/E 2017	Y/E ¹ 2016	Y/E 2015	Y/E 2014	Y/E 2013
NPAT \$m	2.626	(2.548)	(0.578)	(10.675)	(4.924)
Share price \$	0.004	0.005	0.038	0.009	0.002
Dividend paid	-	-	-	-	-
EPS \$	0.068	(0.444)	(0.001)	(0.023)	(0.002)

¹ Shares in the Company were suspended from trading on the ASX prior to market open on 18 October 2016. The closing price on 17 October 2016 was \$0.005 per share.

**(d) Contractual arrangements for executive KMP
 Managing Director**

During the year the Group appointed Mr Adam Boyd as Managing Director and Chief Executive Officer. Mr Boyd is contracted to the Company through his private company, and the contract does not have a fixed timeframe.

The termination provisions in the contract are as follows:

	Resignation	Termination for cause	Termination by redundancy or notice without cause
MD notice period (by Company or executive)	1 month	None	3 months ¹

¹ The notice period is increased by one month for each completed year of service.

The terms of his remuneration package are as follows:

1. The Company shall pay a fee of \$360,000 per annum.
2. The Company shall issue to Mr Boyd (or his nominee):
 - a. 175,000,000 Options exercisable at 0.15 cents each and expiring 36 months after the date of issue (Tranche 1); and
 - b. 175,000,000 Options exercisable at 0.20 cents each and expiring 48 months after the date of issue (Tranche 2).

The options have a vesting period of 12 months for Tranche 1 and 24 months for Tranche 2.

3. In consideration for Mr Boyd agreeing to join the board of the Company, the Company will provide the Mr Boyd or his nominee with the opportunity to subscribe for up to 800,000,000 Shares at \$0.001 per Share pursuant to the Capital Raising.

Options issued to Mr Boyd will vest subject to him being continuously employed by the Group for a period of 12 months, in the case of Tranche 1 options, and for a period of 24 months in the case of Tranche 2 options.

(e) Remuneration expenses for executive KMP

The following table shows the details of the remuneration expense recognised for the group's executive key management personnel for the current and previous financial year measured in accordance with the accounting standards.

Name	Year	Salary & fees	Post employment benefits	Non-mone-tary benefits	Termin-ation benefits	Rights to deferred shares	Options	Total	Perform-ance related
Adam Boyd (from 28 April 2017)	2017	240,000	-	-	-	-	88,544	328,544	27%
	2016	75,854	-	-	-	-	-	75,854	0%
Andrew Vlahov (until 1 August 2016)	2017	-	-	-	-	-	-	-	0%
	2016	195,606	-	-	85,000	(24,539)	(6,199)	249,868	-2%
Stephen Jones (until 18 October 2016)	2017	-	-	-	-	-	-	-	0%
	2016	124,179	-	-	-	-	-	124,179	0%
Total executive	2017	240,000	-	-	-	-	88,544	328,544	27%
KMP	2016	395,639	-	-	85,000	(24,539)	(6,199)	449,901	-1%

Mr Adam Boyd was interim Chief Executive Officer from 8 August 2016 until 19 October 2016.

(f) Non-executive director arrangements

Non-executive directors are paid base fees only, which are fixed by the Board.

There is no additional fee for serving on board committees. They do not receive performance-based pay or retirement allowances. Fees are reviewed annually by the board with the level of Directors' remuneration being set having regard to independent survey data and publicly available information about fees paid to non-executive directors in a range of comparable companies.

The Directors are entitled to be reimbursed for all travel and related expenses properly incurred in connection with the business of the Company. The Company makes contributions at the statutory minimum rate to superannuation funds nominated by directors, included in the base fee.

The total amount of remuneration, including superannuation, for all non-executive directors must not exceed the limit approved by shareholders. The aggregate cash remuneration of all non-executive directors was set at \$400,000 per annum at a general meeting held on 1 December 2009. During the period the Company appointed Mr Simon Higgins and Mr Peter Torre as Non-Executive Directors. The terms of their appointment are as follows:

- Mr Higgins –For his services as a Non-Executive Director and Chairman of the Company, the Company will pay him an all-inclusive annual fee as is determined by the Board and approved by shareholders from time to time during his appointment. The monthly fee payable is payable in arrears and will be initially set at \$4,166,67 plus GST. This equates to an annual fee of \$50,000 plus GST, commencing 1 May 2017.
- Mr Torre –For his services as a Non-Executive Director and Chairman of the Company, the Company will pay him an all-inclusive annual fee as is determined by the Board and approved by shareholders from time to time during his

appointment. The monthly fee payable is payable in arrears and will be initially set at \$3,333 plus GST. This equates to an annual fee of \$40,000 plus GST, commencing 1 May 2017.

Details of the nature and amount of each major element of remuneration are set out below:

	Year	Short-term benefits	Post employment	Total
Simon Higgins (28 April 2017 to 31 December 2017)	2017	33,333	-	33,333
	2016	-	-	-
Peter Torre (28 April 2017 to 31 December 2017)	2017	26,640	-	26,640
	2016	-	-	-
Rod Phillips (to 28 April 2017)	2017	-	-	-
	2016	53,266	2,137	55,403
John Dekker (to 28 April 2017)	2017	-	-	-
	2016	53,266	2,137	55,403
Peter Avery (to 28 April 2017)	2017	-	-	-
	2016	55,403	-	55,403
Total non-executive directors	2017	59,973	-	59,973
	2016	161,935	4,274	166,209

(g) Share-based compensation

During the year options were issued to the Managing Director as part of his remuneration package. Further details are provided under contractual arrangements for executive KMP above.

The board does not have a policy that restricts the holders of securities issued as share based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases.

Other than noted above no terms of equity-settled share based payment transactions (including options granted as compensation to a key management person or director) have been altered or modified by the Company during the reporting period. No options have been exercised as a result of previously issued remunerations options.

(h) Other statutory information

The following tables show the relative proportions of remuneration that are linked to performance and those that are fixed based on the amounts disclosed as statutory remuneration expense in (e) and (f) above.

(i) Proportions of remuneration linked to performance

		Fixed	At risk STI	At risk LTI
Non-executive directors				
Simon Higgins	2017	100%	-	-
	2016	-	-	-
Peter Torre	2017	100%	-	-
	2016	-	-	-
Rod Phillips	2017	-	-	-
	2016	100%	-	-
Peter Avery	2017	-	-	-
	2016	100%	-	-
John Dekker	2017	-	-	-
	2016	100%	-	-
Executive KMP				
Adam Boyd	2017	73%	-	27%
	2016	100%	-	-
Andrew Vlahov	2017	-	-	-
	2016	84%	-	16%
Stephen Jones	2017	-	-	-
	2016	100%	-	-

(ii) Reconciliation of ordinary shares and options held by KMP

Shareholdings

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

Name	Balance at start of the year	Granted as compensation	Acquired for cash	Other changes	Balance at the end of the year
Non-executive directors					
Simon Higgins	-	-	775,000,000	-	775,000,000
Peter Torre	-	-	25,000,000	-	25,000,000
Executive KMP					
Adam Boyd	-	-	710,000,000	-	710,000,000

Options

The number of options over ordinary shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group, including their personally related parties, are set out below:

Name	Balance at start of year		Granted as compensation	Vested		Exercised	Forfeited		Other changes	Balance at end of year	
	Vested and exercisable	Unvested		Number	%		Number	%		Vested and exercisable	Unvested
S Higgins	-	-	-	-	0%	-	-	0%	-	-	-
P Torre	-	-	-	-	0%	-	-	0%	-	-	-
A Boyd	-	-	350,000,000	350,000,000	100%	-	-	0%	-	350,000,000	-

(iii) Loans to key management personnel

During the year, there were no loans made to directors of the Company or any other key management personnel of the Group, including any related parties.

(iv) Other transactions with key management personnel

ECM Pty Ltd (ECM) is a related party of Mr Simon Higgins and during the year ECM entered into the following transactions with the Company:

- ECM Pty Ltd provided accounting and support services to the Group during the year, for which ECM was paid \$90,000 (2016: Nil).
- During the period ECM paid DOCA related costs of \$2,596,552 (2016: Nil) on behalf of the Company pursuant to the DOCA. \$2,000,000 of this amount was converted to equity and the remainder was repaid to ECM as part of the DOCA settlement.
- The Group's subsidiary EcoQuip Australia Pty Ltd entered into a contract with ECM, for the provision of construction services by ECM, prior to Volt taking control of EcoQuip, and at 31 December 2017 EcoQuip had an outstanding amount payable to ECM of \$566,016.

(v) Reliance on external remuneration consultants

The Board have not sought any recommendations from external remuneration consultants. Remuneration levels for Directors and KMP are reviewed annually by the Board with the level of Non-Executive Directors' remuneration being set having regard to independent survey data and publicly available information about fees paid to non-executive directors in a range of comparable companies.

(vi) Voting of shareholders at last year's annual general meeting

Volt Power Group Limited received more than 95% of "yes" votes on its remuneration report for the 2016 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

(vii) Remuneration received

The amounts disclosed in the table below as Executive KMP remuneration for the 2017 year reflect the actual benefits received by each KMP during the reporting period. The remuneration values disclosed below have been determined as follows:

Fixed remuneration

Fixed remuneration includes base salaries received, payments made to superannuation funds, the taxable value of non-monetary benefits received and any once-off payments such as sign-on bonuses or termination benefits.

Fixed remuneration excludes any accruals of annual or long service leave.

Short-term incentives

Cash STI benefits represent bonuses awarded and paid during the year. No cash STI's were awarded during the year.

Long-term incentives

Vested LTI benefits represent the intrinsic value of the options at the date of vesting, being the difference between the share price on that date and the exercise price payable by the KMP. No options vested during the year.

The information in this section has been audited, together with the rest of the Remuneration Report.

This is the end of the Remuneration Report

14. Shares under option

(a) Unissued ordinary shares

Unissued ordinary shares of Volt Power Group Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of options	Number under option
24 May 2017	23 May 2020	0.0015	175,000,000
24 May 2017	23 May 2021	0.0020	175,000,000
9 November 2017	8 November 2020	0.0040	20,000,000
9 November 2017	8 November 2021	0.0045	20,000,000

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

Included in these options were options granted as remuneration to the directors and the five most highly remunerated officers during the year. Details of options granted to key management personnel are disclosed in the remuneration report above. In addition, the following options were granted to officers who are among the five highest remunerated officers of the company and the group, but are not key management persons and hence not disclosed in the remuneration report:

Name of Officer	Date granted	Issue price of options	Number of options granted
Tim Banner – Lead Process Engineer	9 November 2017	0.0040	20,000,000
Tim Banner – Lead Process Engineer	9 November 2017	0.0045	20,000,000

No options were granted to the directors or any of the five highest remunerated officers of the company since the end of the financial year.

(b) Shares issued on the exercise of options

No shares were issued during the year ended 31 December 2017 on the exercise of options.

15. Insurance of officers

During the financial year, Volt Power Group Limited paid a premium to insure the directors and secretaries of the company and its Australian-based controlled entities. The Group has not disclosed the premium paid for the insurance policy as there is a confidentiality condition contained in the contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

16. 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

17. Non-audit services

The Company may decide to employ the auditor (BDO) on assignments additional to their statutory audit duties where the auditor's experience and expertise with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are set out below:

	2017 \$	2016 \$
Independent Experts Report	-	19,933
Total	-	19,933

The Board of Directors is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

18. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 16.

This report is made in accordance with a resolution of directors.



Simon Higgins
Chairman
Perth
Dated: 28 March 2018

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF VOLT POWER GROUP LIMITED

As lead auditor of Volt Power Group Limited for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Volt Power Group Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 28 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income
 For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Continuing operations			
Other Income/(expenses)	7	3,913,910	1,065,778
Consultants and advisors	8	(728,646)	(2,208,067)
Employment benefits expense	9	(492,725)	(331,221)
General and administration expenses	10	(70,459)	(624,941)
Operating profit/(loss)		2,622,080	(2,098,451)
Finance income	11	3,840	4,979
Finance expenses	11	(302)	(454,711)
Finance costs – net		3,538	(449,732)
Profit/(loss) before income tax benefit/(expense)		2,625,618	(2,548,183)
Income tax benefit/(expense)	12	-	-
Profit/(loss) from continuing operations		2,625,618	(2,548,183)
Other comprehensive profit for the year, net of tax		-	-
Total comprehensive profit/(loss) for the year		2,625,618	(2,548,183)
Profit/(loss) for the year is attributable to: Owners of Volt Power Group Limited		2,625,618	(2,548,183)
Total comprehensive profit/(loss) for the year is attributable to: Owners of Volt Power Group Limited		2,625,618	(2,548,183)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic profit/(loss) per share	26	0.068	(0.444)
Diluted profit/(loss) per share	26	0.062	(0.444)

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 31 December 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	13	2,988,650	250,926
Trade and other receivables	14	553,690	220,700
Prepayments and other receivables	15	58,183	32,412
Total current assets		3,600,523	504,038
Non-current assets			
Property, plant and equipment	16	626,402	11,721
Intangible assets	17	679,195	-
Deferred tax assets	18	12,654	-
Other non-current assets	19	200,000	-
Total non-current assets		1,518,251	11,721
Total assets		5,118,774	515,759
Liabilities			
Current liabilities			
Trade and other payables	20	1,362,426	5,691,687
Interest bearing loans and borrowings	21	208,395	305,679
Employee benefit liabilities	22	33,783	33,523
Other current liabilities	23	-	239,315
Current tax liabilities		37,063	-
Total current liabilities		1,641,667	6,270,204
Non-current liabilities			
Interest bearing loans and borrowings	24	292,285	-
Total non-current liabilities		292,285	-
Total liabilities		1,933,952	6,270,204
Net assets/(liabilities)		3,184,822	(5,754,445)
Shareholders' equity/(deficit)			
Share capital	25(a)	67,964,945	62,214,945
Reserves	25(c)	5,946,446	5,853,602
Accumulated losses		(71,197,374)	(73,822,992)
Total attributable to owners of parent		2,714,017	(5,754,445)
Non-controlling Interest		470,805	-
Total shareholders' equity/(deficit)		3,184,822	(5,754,445)

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

Consolidated Statement of Changes in Equity

As at 31 December 2017

		Attributable to owners of Volt Power Group Limited					
	Note	Share capital \$	Reserves \$	Accumulated losses \$	Total attributable to owners of parent \$	Non- controlling interest \$	Total equity \$
At 1 January 2016		61,834,828	5,884,340	(71,274,809)	(3,555,641)	-	(3,555,641)
Total comprehensive profit/(loss) for the year							
Loss for the year		-	-	(2,548,183)	(2,548,183)	-	(2,548,183)
Total comprehensive loss for the year		-	-	(2,548,183)	(2,548,183)	-	(2,548,183)
Transactions with owners in their capacity as owners							
Equity-based payment transaction – expenses	25(b)	-	(30,738)	-	(30,738)	-	(30,738)
Conversion of convertible notes		380,117	-	-	380,117	-	380,117
		380,117	(30,738)	-	349,379	-	349,379
At 31 December 2016		62,214,945	5,853,602	(73,822,992)	(5,754,445)	-	(5,754,445)
At 1 January 2017		62,214,945	5,853,602	(73,822,992)	(5,754,445)	-	(5,754,445)
Total comprehensive profit/(loss) for the year							
Profit for the year		-	-	2,625,618	2,625,618	-	2,625,618
Total comprehensive profit for the year		-	-	2,625,618	2,625,618	-	2,625,618
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	25(a)	5,750,000	-	-	5,750,000	-	5,750,000
Equity-based payment transaction	25(b)	-	92,844	-	92,844	-	92,844
Non-controlling interests on acquisition of subsidiary		-	-	-	-	470,805	470,805
		5,750,000	92,844	-	5,842,844	470,805	6,313,649
At 31 December 2017		67,964,945	5,946,446	(71,197,374)	2,714,017	470,805	3,184,822

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

Consolidated Statement of Cash Flows

As at 31 December 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		1,062,600	60,000
Payments to suppliers and employees (inclusive of GST)		(884,344)	(1,743,300)
Interest received		3,843	4,979
Interest paid		(312)	-
R&D tax refund		-	899,491
Income taxes received/(paid)		(11,440)	-
Net cash inflows/(outflows) from operating activities	13	<u>170,347</u>	<u>(778,830)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,005)
Payment for acquisition of subsidiary, net of cash acquired		27,689	-
Deposit payment for acquisition of subsidiary post balance date		(200,000)	-
Net cash outflows from investing activities		<u>(172,311)</u>	<u>(2,005)</u>
Cash flows from financing activities			
Net proceeds from issue of shares and other equity securities		3,725,288	-
Proceeds from issue of convertible loans		-	519,644
Repayment of borrowings		(985,600)	(100,000)
Net cash inflows from financing activities		<u>2,739,688</u>	<u>419,644</u>
Net increase/(decrease) in cash and cash equivalents		2,737,724	(361,191)
Cash and cash equivalents at the beginning of the year		250,926	612,117
Cash and cash equivalents at end of the year	13	<u>2,988,650</u>	<u>250,926</u>

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

Notes to the Consolidated Financial Statements

As at 31 December 2017

1. Reporting entity

The consolidated financial report of Volt Power Group Limited (the Group) and its subsidiaries for the year ended 31 December 2017 was authorised for issue in accordance with a resolution of directors on 28 March 2018.

Volt Power Group Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's registered office is Unit B9, 431 Roberts Rd Subiaco WA 6008.

The nature of the operations and principal activities of the Group are power generation technology solutions, mobile solar powerbox towers compatible with LED lighting, LTE/WiFi repeater communication solutions and CCTV retro-fit and sample crushing equipment, all of which service the resources and construction sectors.

2. Basis of preparation

(a) General information

The financial report is a general purpose financial report, which:

- has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity;
- has been prepared on a historical cost basis;
- is presented in Australian dollars, which is the functional currency of the Company and each of its subsidiaries;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 January 2017; and
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

(b) Incomplete financial information 31 December 2016

The 2016 Financial Report was prepared by Directors who were in office for the entire period presented in that report, however their duties and responsibilities were suspended from the date the Company entered administration, 18 October 2016. For the period in which the Company was in administration, until the effectuation of the DOCA in May 2017, the Directors did not have oversight or control over the Group's financial reporting systems, including (but not limited to) being able to obtain access to complete accounting records of the Company. Every reasonable effort was made by the Directors to ascertain the true position of the Company as at 31 December 2016, however the Directors are of the opinion that it is not possible to state that the 2016 comparative financial statements, and the gain on effectuation of the DOCA of \$3,551,951 recognised in the Statement of Profit or Loss for the year ended 31 December 2017, and accompanying notes were in accordance with the Corporations Act 2001.

(c) Going concern

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

The Group made a comprehensive profit after tax for the year ended 31 December 2017 of \$2,625,618 (2016: loss of \$2,548,183) and experienced net cash inflows from operating activities of \$170,347 (2016: cash outflows of \$778,830).

At 31 December 2017 the Group had cash and cash equivalents of \$2,988,650 and a working capital excess of \$1,958,856.

The Group has prepared cash flow forecasts for each of its businesses that indicate the Group has sufficient funding to support its business activities without the need for additional funding.

Having regard to the matters set out above the Directors believe that at the date of signing the financial statements, there are reasonable grounds to believe that the Group will be able to meet its obligations as and when they fall due.

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control.

Consolidation of the subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a debit balance.

(b) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. Acquisition-related costs are expensed as incurred.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentational currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cashflow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(d) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

(ii) Non-derivative financial liabilities

The Group recognises financial liabilities (including liabilities designated at fair value through profit or loss) initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has non-derivative financial liabilities comprising trade and other payables and loans, which are recognised initially at fair value and subsequently at amortised cost. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group has an obligation to make future payments in respect of the purchase of these goods and services.

(iii) Convertible note liability

Convertible notes issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder and a convertible note derivative whose fair value changes with the Company's underlying share price.

The liability component of a convertible note is recognised initially at the fair value of a similar liability that does not have an equity conversion option. Any directly attributable transaction costs are allocated to the convertible note liability. Subsequent to initial recognition, the liability component of the convertible note is measured at amortised cost using the effective interest method.

The convertible note liability is removed from the statement of financial position when the obligations specified in the contract are discharged. This can occur upon the option holder exercising their option or the option period lapses requiring the company to discharge the obligation.

On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting date until settlement. The fair value movements are recognised on the Consolidated Statement of Profit or Loss as financial costs.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(f) Income tax

Volt Power Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 19 January 2010.

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that

affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

(g) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation the amount of which can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Leases

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

(j) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(k) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

In assessing the collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Share based payments

The fair value of options issued as share-based payment are measured using an appropriate pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

The fair value of shares issued as share-based payment is measured based on the share price on the date of issue.

4. Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

5. Key judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Management have identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

(i) *Taxation*

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustments, resulting in a corresponding credit or charge to the income statement.

(ii) *Consolidation of EcoQuip*

Judgement is required in assessing whether an investment is to be treated as a subsidiary or an associate. The Company holds 50% of the ordinary shares and voting rights in EcoQuip Australia Pty Ltd. One other investor holds the remaining 50%. Management has assessed its ownership of EcoQuip in accordance with AASB10 – Consolidated Financial Statements and considers that EcoQuip is a subsidiary as it has a casting vote at Board Meetings.

(iii) *Impairment*

Judgement is required in assessing whether goodwill has suffered any impairment on an annual basis. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Refer to note 17(b).

6. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Volt Power Group Limited. The Group has determined that it has one operating segment.

7. Other income/(expenses)

	2017 \$	2016 \$
Profit or loss on sale of assets	-	(9,579)
Unrealised FX gains/losses	-	115,866
Research and development tax incentive rebate (a)	361,959	899,491
Profit on DOCA – Enerji Limited	1,132,476	-
Profit on DOCA – Enerji Holdings	2,419,475	-
Other income	-	60,000
	<u>3,913,910</u>	<u>1,065,778</u>
 (a) Research and development tax incentive rebate		
Receipt of a R&D tax rebate	<u>361,959</u>	<u>899,491</u>
Total income tax benefit	<u>361,959</u>	<u>899,491</u>
Attributable to:		
Continuing operations	<u>361,959</u>	<u>899,491</u>
	<u>361,959</u>	<u>899,491</u>

Under the R&D tax incentive legislation, small companies can claim an R&D tax offset, under section 355-100 of the Income Tax Assessment Act 1997 (ITAA97), that is, a refundable tax offset, equivalent to the value of certain deductions available under the R&D tax incentive. For the 2016 year, total eligible R&D expenditure was \$804,353 (2015: \$1,998,868) therefore R&D tax offset refund entitlement received for 2016 @ 45% was \$361,959 (2015: \$899,491).

8. Consultants and advisors

	2017	2016
	\$	\$
Accounting & finance	159,380	73,861
Advertising & marketing	450	83,265
Consultants and contractors	-	1,136,405
Listing expenses	508	365,466
Legal expenses	292,085	222,113
Administrator expenses	276,223	300,737
Other	-	26,220
	<u>728,646</u>	<u>2,208,067</u>

9. Employee benefit expense

	2017	2016
	\$	\$
Salary and wages	390,250	343,879
Superannuation	8,025	14,353
Other	94,450	(27,011)
	<u>492,725</u>	<u>331,221</u>

10. General and administration expenses

	2017	2016
	\$	\$
Occupancy Costs	4,290	36,317
Insurance	33,434	12,412
IT expenses	19,421	17,861
Travel & Accommodation	1,044	57,263
Depreciation & Amortisation	3,063	3,981
Other	9,207	497,107
	<u>70,459</u>	<u>624,941</u>

11. Finance costs - net

	2017	2016
	\$	\$
Interest income	<u>3,840</u>	<u>4,979</u>
	<u>3,840</u>	<u>4,979</u>
Interest expense	-	374,575
Bank charges	302	114
Establishment fees	-	51,964
FX gains/losses from borrowings	-	28,058
Total finance expenses	<u>302</u>	<u>454,711</u>
Finance costs- net	<u>3,538</u>	<u>(449,732)</u>

Recognition and measurement

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and convertible notes, unwinding of the discount on provisions, and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

12. Income tax benefit
(a) Income tax benefit

	2017 \$	2016 \$
Deferred tax credit arising from temporary differences	-	-
Total income tax benefit	-	-
Attributable to:		
Continuing operations	-	-
	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2017 \$	2016 \$
Profit/(loss) from continuing operations before income tax expense	2,625,618	(2,548,183)
Tax at the Australian tax rate of 27.5% (2016: 30.0%)	(722,045)	764,455
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	1,088,295	-
Deferred tax assets not brought to account	366,250	764,455
Income tax benefit	-	-
Reconciliation of deferred tax assets		
Adjustment from prior year - tax benefit	(19,137)	-
Change in corporate tax rate from 30% to 27.5%	(470,610)	-
Tax loss benefit from current year	366,250	-
Change in tax loss benefit	(123,497)	-

The franking account balance at year-end was \$nil (2016: nil).

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

(c) Tax losses

	2017 \$	2016 \$
Unused tax losses for which no deferred tax asset has been recognised	20,156,225	18,888,197
Potential tax benefit @ 27.5% (2016: 30.0%)	5,542,962	5,666,459

All unused tax losses were incurred by Australian entities. Unrecognised deferred tax balances will only be available subject to continuing to meet the relevant statutory tests.

13. Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank	2,988,650	250,926

(a) Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	2017 \$	2016 \$
Profit/(loss) for the year	2,625,618	(2,548,183)
Adjustments for		
Depreciation and amortisation	3,063	3,980
Net (gain)/loss on sale of non-current assets	-	9,579
Gain on effectuation of DOCAs net of costs	(3,551,951)	-
Finance expense / (income)	(3,840)	426,540
Net exchange differences	-	(87,808)
Share-based payment transactions	92,844	(30,738)
Changes in operating assets and liabilities, net of effects from purchase of controlled entity and reversal of amounts subject to the deeds of company arrangement		

	2017	2016
	\$	\$
(Increase)/decrease in trade & other receivables	(553,690)	-
(Increase)/decrease in prepayments	(58,183)	(32,412)
(Decrease)/Increase in trade & other payables	1,478,062	1,300,367
(Decrease)/Increase in employee benefit liability	33,783	1,764
(Decrease)/Increase in GST	39,156	(33,835)
(Decrease)/Increase in PAYG	20,342	-
(Decrease)/Increase in other current liabilities	-	194,000
(Decrease)/Increase in provision for income tax	45,143	17,916
Net cash inflow/(outflow) from operating activities	<u>170,347</u>	<u>(778,830)</u>

Recognition and measurement

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

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(b) Non-cash investing and financing activities

	2017	2016
	\$	\$
Acquisition of EcoQuip shares by issue of Volt shares (note 27)	<u>150,000</u>	-
Issue of shares on conversion of loan (note 32(c))	<u>2,000,000</u>	-

14. Trade and other receivables

	2017	2016
	\$	\$
Accounts receivable	191,731	409,200
Provision for doubtful debts	-	(409,200)
Bank guarantee	-	220,000
Other debtors	361,959	700
	<u>553,690</u>	<u>220,700</u>

Impaired receivables and receivables past due

None of the current receivables are impaired.

15. Prepayments and other receivables

	2017	2016
	\$	\$
Prepaid insurance	58,183	12,412
Other prepayments	-	20,000
	<u>58,183</u>	<u>32,412</u>

16. Property, plant and equipment

	Plant and equipment \$	Office furniture, fittings and equipment \$	Total \$
31 December 2016			
Opening net book amount	-	23,275	23,275
Additions	-	2,005	2,005
Disposals	-	(9,579)	(9,579)
Impairment charge	-	-	-
Depreciation charge	-	(3,980)	(3,980)
31 December 2016	<u>-</u>	<u>11,721</u>	<u>11,721</u>
31 December 2016			
Cost or fair value	-	81,123	81,123
Accumulated depreciation	-	(69,402)	(69,402)
Impairment of assets	-	-	-
Net book amount	<u>-</u>	<u>11,721</u>	<u>11,721</u>
31 December 2017			
Opening net book amount	-	11,721	11,721
Additions	617,744	-	617,744
Disposals	-	-	-
Impairment charge	-	-	-
Depreciation charge	-	(3,063)	(3,063)
31 December 2017	<u>617,744</u>	<u>8,658</u>	<u>626,402</u>
31 December 2017			
Cost or fair value	617,744	81,123	698,867
Accumulated depreciation	-	(72,465)	(72,465)
Impairment of assets	-	-	-
Net book amount	<u>617,744</u>	<u>8,658</u>	<u>626,402</u>

Recognition and measurement

Property, plant and equipment

All classes of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the income statement as incurred.

Depreciation is calculated on a straight-line basis on all classes of property, plant and equipment. The estimated useful life of plant and equipment is between 3 and 20 years.

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

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

17. Intangible assets

(a) Goodwill

The movements in the net carrying amount of goodwill are as follows:

	2017 \$	2016 \$
Balance 1 January	-	-
Acquired through business combination	<u>679,195</u>	<u>-</u>
Balance 31 December	<u>679,195</u>	<u>-</u>

(b) Impairment tests for goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on the higher of its value-in-use or fair value less costs to sell which require the use of assumptions. In assessing the goodwill for impairment for the year ended 31 December 2017 the Group used a discounted cash flow model in accordance with the fair value less costs to sell methodology (level 3 fair value hierarchy). The significant inputs and key assumptions used by management within the discounted cash flow model are:

- The cash flows for the first 18 months of the model is based on the 2018 budget as prepared by management
- Short term growth rate between 2% and 5%
- Capital outlay of 20% of EBITDA
- CPI inflation of 2%
- Pre-tax discount rate of 20% to calculate net present value

The Group has determined that there is no adjustment required to the carrying value of the assets in the current reporting period.

Sensitivity of assumptions

The Directors and management have not identified any reasonable possible changes to key assumptions and significant inputs noted above that could result in impairment for the CGU.

18. Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

	1 January 2016 \$	Recognised in business combination \$	Recognised in profit or loss \$	31 December 2016 \$
Deferred tax liabilities / (assets)				
Current assets				
Prepayments	-	-	-	-
Current liabilities				
Superannuation and other employee obligations	-	-	-	-
Net deferred tax assets	-	-	-	-
	1 January 2017 \$	Recognised in business combination \$	Recognised in profit or loss \$	31 December 2017 \$
Deferred tax liabilities / (assets)				
Current assets				
Prepayments	-	486	-	486
Current liabilities				
Superannuation and other employee obligations	-	(13,140)	-	(13,140)
Net deferred tax assets	-	(12,654)	-	(12,654)

The deferred tax assets and liabilities are amounts in respect of the Group's 50% owned subsidiary, EcoQuip Australia Pty Ltd, which is not consolidated for income tax purposes. There are no deferred tax assets or liabilities for the Group companies that are consolidated for income tax, as there are large tax losses that are not certain to be recovered in the near future.

19. Other Non-current assets

	2017 \$	2016 \$
Deposit payment for acquisition of subsidiary post balance date	200,000	-
	200,000	-

The Company paid a deposit of \$200,000 for the acquisition of a subsidiary that was completed in January 2018.

20. Trade and other payables

	2017	2016
	\$	\$
Trade Creditors - Opcon AB	-	2,198,730
Trade Creditors	512,061	1,719,716
Accrued Expenses	650,867	1,789,513
GST	39,156	(94,302)
PAYG	20,342	1,431
Sundry Creditors	140,000	76,599
	<u>1,362,426</u>	<u>5,691,687</u>

21. Interest bearing loans and borrowings

		2017	2016
	Note	\$	\$
Convertible Notes		-	305,679
Non-bank loans		42,291	-
Finance leases	28	<u>166,104</u>	<u>-</u>
		<u>208,395</u>	<u>305,679</u>

22. Employee benefit liabilities

	2017	2016
	\$	\$
FBT	-	(4,872)
Superannuation	33,783	35,178
Salary sacrifice	-	3,217
	<u>33,783</u>	<u>33,523</u>

Recognition and measurement

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

(ii) Other long-term employee benefit obligations

The liabilities for long term benefits is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(iv) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

23. Other current liabilities

	2017 \$	2016 \$
Non-bank loans	-	100,000
Convertible loan - default penalties and fees	-	45,315
Ames Associates - contribution to voluntary administration	-	94,000
	<u>-</u>	<u>239,315</u>

24. Non-current liabilities

	2017 \$	2016 \$
Finance leases	292,285	-
	<u>292,285</u>	<u>-</u>

25. Equity

(a) Contributed equity

	No. of shares 2017	No. of shares 2016	\$ 2017	\$ 2016
Fully paid ordinary shares	6,244,533,558	594,533,558	67,964,945	62,214,945

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital Management

The Company's capital management policy provides a framework to maintain a capital structure to support the development of the business into one that is income producing.

The Company seeks to utilise available borrowing facilities when and to the extent prudent to do so, in order to maximise returns for equity shareholders and limit the need to raise additional equity capital.

Dividends

There were no dividends declared or paid during the reporting period.

Movements in ordinary shares

	No. of shares	\$
Details		
1 January 2016	574,130,854	61,834,828
Shares issued on conversion of notes	20,402,704	380,117
31 December 2016	<u>594,533,558</u>	<u>62,214,945</u>
Shares issued for cash	3,600,000,000	3,600,000
Shares issued on conversion of loan	2,000,000,000	2,000,000
Shares issued to purchase investment	50,000,000	150,000
31 December 2017	<u>6,244,533,558</u>	<u>67,964,945</u>

(b) Other equity

	No. of options 2017	No. of options 2016	\$ 2017	\$ 2016
\$0.30 expiry 30 June 2015	-	-	838,364	838,364
\$2.00 expiry 31 December 2016	-	-	1,545,238	1,545,238
\$0.0015 expiry 22 May 2020	175,000,000	-	57,635	-
\$0.0020 expiry 22 May 2021	175,000,000	-	30,909	-
\$0.0040 expiry 9 November 2020	20,000,000	-	2,373	-
\$0.0045 expiry 9 November 2021	20,000,000	-	1,927	-
	<u>390,000,000</u>	<u>-</u>	<u>2,476,446</u>	<u>2,383,602</u>

Movements in other equity

	No. of options	\$
\$0.25 options expiry 2 September 2017		
1 January 2016	7,500,000	6,199
Options forfeited during the year	(7,500,000)	(6,199)
31 December 2016	-	-
31 December 2017	-	-
\$0.0015 options expiry 22 May 2020		
1 January 2016	-	-
31 December 2016	-	-
Options issued	175,000,000	57,635
31 December 2017	175,000,000	57,635
\$0.0020 options expiry 22 May 2021		
1 January 2016	-	-
31 December 2016	-	-
Options issued	175,000,000	30,909
31 December 2017	175,000,000	30,909
\$0.0040 options expiry 8 November 2020		
1 January 2016	-	-
31 December 2016	-	-
Options issued	20,000,000	2,373
31 December 2017	20,000,000	2,373
\$0.0045 options expiry 8 November 2021		
1 January 2016	-	-
31 December 2016	-	-
Options issued	20,000,000	1,927
31 December 2017	20,000,000	1,927
	No. of performance rights	\$
\$0.25 options expiry 2 September 2017		
1 January 2016	17,500,000	24,539
Options forfeited during the year	(17,500,000)	(24,539)
31 December 2016	-	-
31 December 2017	-	-

(c) Reserves

	2017 \$	2016 \$
Share based reserves - Reserve holding shares subject to the achievement of performance based measures	3,470,000	3,470,000
Options based reserves	2,476,446	2,383,602
	5,946,446	5,853,602

Recognition and measurement

Contributed equity

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

26. Earnings/(loss) per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(a) Basic earnings per share

	2017 cents	2016 cents
From continuing operations attributable to the ordinary equity holders of the company	<u>0.068</u>	<u>(0.444)</u>
Total basic earnings per share attributable to the ordinary equity holders of the company	<u>0.068</u>	<u>(0.444)</u>

(b) Diluted earnings per share

	2017 cents	2016 cents
From continuing operations attributable to the ordinary equity holders of the company	<u>0.062</u>	<u>(0.444)</u>
Total basic earnings per share attributable to the ordinary equity holders of the company	<u>0.062</u>	<u>(0.444)</u>

(c) Reconciliation of earnings used in calculating earnings per share

	2017 \$	2016 \$
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	<u>2,625,618</u>	<u>(2,548,183)</u>
	<u>2,625,618</u>	<u>(2,548,183)</u>

	2017 \$	2016 \$
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share:		
From continuing operations	<u>2,625,618</u>	<u>(2,548,183)</u>
	<u>2,625,618</u>	<u>(2,548,183)</u>

(d) Weighted average number of shares used as the denominator

	2017 No. of shares	2016 No. of shares
Weighted average number of ordinary shares used as denominator for calculating basic profit/(loss) per share	3,863,848,626	574,277,437
Adjustments for calculation of diluted profit/(loss) per share:		
Options	<u>350,000,000</u>	<u>-</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	<u>4,213,848,626</u>	<u>574,277,437</u>

(e) Information concerning the classification of securities

(i) Options

Options granted to employees are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The 40,000,000 options granted on 9 November 2017 have not been included in the calculation of diluted earnings per share because they are antidilutive for the year ended 31 December 2017. These options could potentially dilute basic earnings per share in the future.

27. Acquisitions

On 21 December 2017 the Group acquired 50% of the equity instruments of EcoQuip Australia Pty Ltd (EcoQuip), a Perth based business, and it was determined that Volt obtained 'control' of EcoQuip pursuant to AASB10 Consolidated Financial Statements. The acquisition was made to enhance the Group's position in the mining services sector giving the Group access to additional services and customers.

The details of the business combination are as follows:

	\$
Fair value of consideration transferred	
Amount settled in cash	1,000,000
Amount settled in equity	<u>150,000</u>
Total	<u>1,150,000</u>

	\$
Recognised amounts of identifiable net assets	
Cash and cash equivalents	1,027,689
Trade and other receivables	1,254,331
Prepayments	1,765
Total current assets	2,283,785
Property, plant and equipment	617,744
Deferred Tax Assets	12,654
Total non-current assets	630,398
Trade and other payables	(1,222,666)
Interest bearing loans and borrowings	(323,530)
Employee benefit liabilities	(26,466)
Director loans	(70,563)
Current tax liabilities	(37,063)
Total current liabilities	(1,680,288)
Interest bearing loans and borrowings	(292,285)
Total non-current liabilities	(292,285)
Identifiable net assets	941,610
Non-controlling interest	(470,805)
Goodwill on acquisition	679,195
Net assets acquired	1,150,000
Consideration transfer settled in cash	1,000,000
Cash and cash equivalents acquired	(1,027,689)
Net cash inflow on acquisition	(27,689)
Acquisition costs charged to expenses	35,747
Net cash paid relating to the acquisition	8,058

Consideration transferred

The acquisition of EcoQuip was settled by the issue of 50,000,000 Volt shares that were valued at \$150,000, and the payment of \$1,000,000 cash for new shares in EcoQuip.

Identifiable net assets

The fair value of the trade and other receivables acquired as part of the business combination amounted to \$1,254,331, which is equal to the gross contractual amount.

Goodwill

Goodwill of \$679,195 is primarily related to growth expectations, expected future profitability and expected cost synergies. Goodwill has been allocated to cash-generating units at 31 December 2017. The goodwill that arose from this business combination is not expected to be deductible for tax purposes.

EcoQuip's contribution to the Group results

There was no profit contribution from EcoQuip as the acquisition was made 10 days prior to the end of the year. If EcoQuip had been acquired on 1 January 2017, revenue for the Group for 2017 would have been \$2,376,080, and profit would have increased by \$123,205.

Information not disclosed as not yet available

At the time the financial statements were authorised for issue, the Company had not yet finalised the completion statement with the vendor, and the fair values of the assets and liabilities disclosed above have only been determined provisionally.

28. Leases

The Group's subsidiary EcoQuip has various items of plant and equipment that are held under finance lease arrangements. As at 31 December 2017, the net carrying amount held under finance lease arrangements is \$458,389 (2016: Nil).

The Group's finance lease liabilities, which are secured by the related assets held under finance leases, are classified as follows:

	2017 \$	2016 \$
Finance lease liabilities		
Current:		
Finance lease liabilities	<u>166,104</u>	-
Non-current:		
Finance lease liabilities	<u>292,285</u>	-

Future minimum finance lease payments at the end of each reporting period under review were as follows:

	Within 1 Year \$	1-5 years \$	After 5 years \$	Total \$
2016				
Lease payments	-	-	-	-
Finance charges	-	-	-	-
Net present values	-	-	-	-
2017				
Lease payments	205,782	333,514	-	539,296
Finance charges	<u>(39,678)</u>	<u>(41,229)</u>	-	<u>(80,907)</u>
Net present values	<u>166,104</u>	<u>292,285</u>	-	<u>458,389</u>

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised as assets in the Group's statement of financial position.

29. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2017 \$	2016 \$
BDO		
Audit and review of financial statements	33,787	61,300
Independent Experts Report	-	19,333
Review of 6 June financial report	5,100	-
Total remuneration for audit and other assurance services	<u>38,887</u>	<u>80,633</u>
Total remuneration of BDO	<u>38,887</u>	<u>80,633</u>

30. Contingencies

The Group has no contingent liabilities.

31. Commitments

(a) Non-cancellable operating leases

The Group leases office space from ECM in Henderson on a rolling one-month term, which commenced on 1 July 2017. The Group leases a workshop and office, for its wholly owned subsidiary Wescone Distribution Pty Ltd, under non-cancellable operating leases expiring within 3 years, with an option to extend the lease for a period of between 1 and 3 years. The option for renewal includes a CPI increase in the rent.

	2017 \$	2016 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	35,000	-
Later than one year but not later than five years	70,000	-
	105,000	-

32. Related party transactions

(a) Key management personnel compensation

	2017 \$	2016 \$
Short-term employee benefits	299,973	557,574
Post-employment benefits	-	4,274
Termination benefits	-	85,000
Share based payments	88,544	(30,738)
	388,517	616,110

Detailed remuneration disclosures are provided in the remuneration report.

(b) Transactions with other related parties

	2017 \$	2016 \$
The following transactions occurred with related parties:		
Sales and purchases of goods and services		
Purchase of investor relations services	-	110,806
Purchase of accounting support services during administration – ECM	53,090	-
Purchase of rent and administration support services – ECM	90,000	-
	143,090	110,806

ECM Pty Ltd (ECM) is a related party of Mr Simon Higgins, who are paid for providing office rent and accounting and IT support at a rate of \$15,000 per month, which commenced on 1 July 2017. While the Company was in administration ECM provided support services in relation to the effectuation of the DOCA at a cost of \$53,090. The total amount invoiced by ECM for services in the year is \$143,090 (2016: nil). The total amount paid for these services in the year is \$128,090 (2016: nil). The Group's subsidiary EcoQuip Australia Pty Ltd entered into a contract with ECM, for the provision of construction services by ECM, prior to Volt taking control of EcoQuip, and at 31 December 2017 EcoQuip had an outstanding amount payable to ECM of \$566,016.

(c) Loans to/from related parties

	2017 \$	2016 \$
Beginning of the year	-	100,000
Loan repayments received	-	(100,000)
End of year	-	-

During the period ECM Pty Ltd paid DOCA related costs of \$2,596,552 (2016: Nil) on behalf of the Company pursuant to the DOCA. \$2,000,000 of this amount was converted to equity and the remainder was repaid to ECM Pty Ltd as part of the DOCA settlement.

33. Subsidiaries and transactions with non-controlling interests

Significant investments in subsidiaries during the year ended 31 December 2017 are set out below:

Name of entity	Country of incorporation	Class of shares	Equity holding 2017 %	Equity holding 2016 %
ATEN Operations Pty Ltd	Australia	Ordinary	100	100
Enerji Holdings Pty Ltd	Australia	Ordinary	100	100
Enerji Research Pty Ltd	Australia	Ordinary	100	100
Enerji PE Management Pty Ltd	Australia	Ordinary	100	100
Enerji GMRL SPV Pty Ltd	Australia	Ordinary	100	100
EcoQuip Australia Pty Ltd	Australia	Ordinary	50	0

34. Events occurring after the reporting period

The following events have occurred subsequent to the reporting period ending:

(a) Acquisition of Wescone Distribution Pty Ltd

The acquisition of 100% of the issued shares of Wescone Distribution Pty Ltd (Wescone), a leading supplier of proprietary sample crushing equipment to the global iron ore industry. Consideration for the purchase comprised a total of \$4,750,000 cash, the issue of 100,000,000 Volt shares and the grant of a revenue royalty to the vendor (Wescone Acquisition). The acquisition is expected to increase the Group's exposure to the mining industry, giving the Group access to additional services and customers.

The financial effects of this transaction have not been recognised at 31 December 2017. The operating results and assets and liabilities of the acquired company will be consolidated from the date of acquisition.

(i) Purchase consideration

Details of the consideration transferred and provisionally determined values of the assets and liabilities of Wescone as at the date of acquisition are:

	\$
Fair value of consideration transferred	
Amount settled in cash	4,750,000
Amount settled in equity	250,000
Total	5,000,000
Recognised amounts of identifiable net assets	
Cash and cash equivalents	222,630
Trade and other receivables	75,013
Inventories	291,806
Other current assets	46,555
Total current assets	636,004
Property, plant and equipment	92,774
Other non-current assets	985
Total non-current assets	93,759
Trade and other payables	(142,743)
Interest bearing loans and borrowings	(37,285)
Total current liabilities	(180,028)
Interest bearing loans and borrowings	(1,045)
Total non-current liabilities	(1,045)
Identifiable net assets	548,690
Goodwill on acquisition	4,451,310
Net assets acquired	5,000,000

The goodwill is attributable to Wescone's position and profitable trading in the mining services market, and the expected increase in profitability with the change in Wescone's business model from an equipment sale and service business model to a recurring revenue 'serviced equipment' rental business model, and expanding the Wescone W300 crusher footprint into new and existing customer project opportunities. None of the goodwill is expected to be deductible for tax purposes.

(ii) Contingent consideration

The contingent consideration is a royalty arrangement pursuant to which the Wescone vendor has been granted:

- a 25% royalty on all gross revenue received by Wescone exceeding \$2 million per annum (Primary Royalty) expiring on the earlier of total Primary Royalty payments reaching \$6 million or the 10th anniversary of completion of the Wescone Acquisition; and
- a 2% royalty on all gross revenue received by Wescone exceeding \$2 million per annum commencing on expiry of the Primary Royalty and ceasing on the 15th anniversary of completion of the Wescone Acquisition.

(iii) Acquisition related costs

Acquisition-related costs will be included in other expenses in profit or loss in the reporting period ending 31 December 2018.

(iv) Information not disclosed as not yet available

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of Wescone. In particular, the fair values of the assets and liabilities disclosed above have only been determined

provisionally as the independent valuations have not been finalised. It is also not yet possible to provide detailed information about each class of acquired receivables and any contingent liabilities of the acquired entity.

(b) Capital raising

To finance and complete the Wescone Acquisition, the Company successfully undertook a \$4,750,000 capital raising (before costs).

35. Share based payments

(a) Employee share scheme

A scheme under which shares may be issued by the Company to employees with an interest free loan for the purchase price of the shares was approved by shareholders at a general meeting on 1 December 2009.

(b) Other share-based payments

Options were issued to the Managing Director on the following terms:

- 175,000,000 Options exercisable at 0.15 cents each and expiring 36 months after the date of issue (Tranche 1)
- 175,000,000 Options exercisable at 0.20 cents each and expiring 48 months after the date of issue (Tranche 2)
- Options issued to Mr Boyd will vest subject to him being continuously employed by the Group for a period of 12 months, in the case of Tranche 1 options, and for a period of 24 months in the case of Tranche 2 options.

Options were issued to an employee during the year on the following terms:

- 20,000,000 Options exercisable at 0.40 cents each and expiring 36 months after the date of issue (Tranche 3)
- 20,000,000 Options exercisable at 0.45 cents each and expiring 48 months after the date of issue (Tranche 4)

The Board has valued the options issued to employees and determined on the basis of the assumptions set out below the technical value of the options as follows:

	Options Tranche 1	Options Tranche 2	Options Tranche 3	Options Tranche 4
Exercise price	0.0015	0.0020	0.0040	0.0045
Underlying spot price	0.001	0.001	0.003	0.003
Dividend yield	0%	0%	0%	0%
Expected volatility	100%	100%	100%	100%
Risk free interest rate	1.95%	1.95%	1.95%	1.95%
Vesting period	12 months	24 months	24 months	24 months
Fair value per option	\$0.00054	\$0.00054	\$0.00138	\$0.00130

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

Name	Vested and exercisable	Unvested	Granted as compensation	Exercised	Forfeited	Other changes	Balance at the end of the year	Vested and exercisable	Unvested
Executive KMP									
Adam	350,000,000	-	350,000,000	-	-	-	350,000,000	350,000,000	-
Boyd									

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Note	2017 \$	2016 \$
Expense arising from equity-settled share based payment transaction		92,844	54,616
Reversal of previously expensed share based payment transaction		-	(85,354)
Total expense arising from share-based payment transactions	25(b)	92,844	(30,738)

36. Financial instruments

Financial risk management policies

The Group financial instruments consist mainly of deposits with banks, accounts receivables and payables and domestic loans.

The Board of Directors analyse financial risk exposure at Board Meetings to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

(a) Market risk

(i) Foreign exchange risk

At present the Group has no foreign exchange risk in respect of forecast sales and purchases. The Group also has no hedges in place for its trade receivables and trade payables denominated in a foreign currency.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has set up a policy that all transactions in foreign currencies be transacted at spot. Management will continually review this policy based on volumes of foreign currency required.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	31 December 2017			31 December 2016		
	USD	EUR	SEK	USD	EUR	SEK
Trade payables - Airec AB	-	-	-	-	45,697	-
Trade payables- Opcon AB	-	-	-	-	-	2,243,231
Convertible Notes- Magna	-	-	-	305,679	-	-

Amounts recognised in profit or loss and other comprehensive income

During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	Note	2017 \$	2016 \$
Amounts recognised in profit or loss			
Net foreign exchange gain/(loss) included in other income/other expenses	7	-	115,866
Total net foreign exchange gain/(loss) recognised in profit before income tax for the period		-	115,866
Net gains/(loss) recognised in other comprehensive income		-	-
Loss/(gain) reclassified from other comprehensive income		-	-

Sensitivity

At the end of the year the Group had no exposure to changes in exchange rates. At the end of the previous year the Group had exposure to changes in the SEK/\$ exchange rates.

	2017 \$	2016 \$
SEK/\$ exchange rate- increase 10%	-	(33,176)
SEK/\$ exchange rate- decrease 10%	-	34,208

(ii) Cash flow and fair value interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer term borrowings are therefore usually at fixed rates. The Group's exposure to interest rate risk relate primarily to cash and cash equivalents. As at 31 December 2017, the Group has hire purchase financial liabilities that are at fixed rates and has no financial liabilities subject to interest rate movements. The Group's maximum exposure to interest rate risk at reporting date is shown below. As such, sensitivity to interest rate risk is considered immaterial.

	Note	2017 \$	2016 \$
Trade and other receivables - current	14	553,690	700
Cash and cash equivalents	13	2,988,650	250,926
		<u>3,542,340</u>	<u>251,626</u>

(b) Credit risk

Credit risk arises from cash and cash equivalents, held-to-maturity investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as the credit exposures to wholesale and retail customers, including outstanding receivables.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was

	Note	2017 \$	2016 \$
Trade and other receivables - current	14	553,690	700
Cash and cash equivalents	13	2,988,650	250,926
		<u>3,542,340</u>	<u>251,626</u>

The Group manages credit risk through dealing with creditworthy counterparties and balances are monitored on an ongoing basis. For bank and financial institutions, only independently rated parties with a minimum Standard & Poor's credit rating of A (or equivalent) are accepted.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counter parties having similar characteristics. Trade receivables consist of blue chip companies in mining and mining services industries. Management consider the credit quality of trade receivables that are not past due or impaired to be good.

(c) Liquidity risk

The Group has limited exposure to liquidity risk as the Group's main liabilities are trade and other payables and hire purchase liabilities.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Notes 13 and 14) significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

(d) Recognised fair value measurements

The net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the Consolidated Statement of Financial Position and in the Notes to the Consolidated Statement of Financial Position.

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements.

Fair value hierarchy

The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets and liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

	Note	Level 1	Level 2	Level 3	Total
31 December 2016					
Financial liabilities					
Convertible loan	21	-	-	305,679	305,679
Total		-	-	305,679	305,679
31 December 2017					
Financial liabilities					
Convertible loan	21	-	-	-	-
Total		-	-	-	-

There were no transfers between levels for recurring fair value measurements during the year. The group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting date.

Level 1: the fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument is observable, the instrument is included in level 2.

Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. The fair value of the convertible loan not traded in an active market is determined using an internally prepared discounted cash flow valuation technique using observable imports (such as share price and the terms and conditions of the convertible loan as disclosed in Note 21) and released of the initial calibration adjustment to the profit or loss. At 31 December 2017, the fair value of the convertible note equates to its carrying (redemption) amount, as the conversion option is out of the money.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Use of the quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- The fair value of the remaining financial instruments as determined using discounted cash flow analysis

Capital management

The Board's policy is to maintain a strong asset base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year. Neither the Group nor any of its subsidiaries is subject to externally imposed capital requirements.

37. Parent entity financial information

Statement of financial position

	2017	2016
	\$	\$
Current assets	1,632,378	276,632
Non-current assets	1,358,658	-
Total assets	2,991,036	276,632
Current liabilities	(135,446)	(3,631,153)
Total liabilities	(135,446)	(3,631,153)
Net Assets	2,855,590	(3,354,521)
Shareholders' equity/(deficit)		
Issued Capital	68,104,943	62,214,943
Reserves	5,946,446	5,853,602
Retained losses	(71,195,799)	(71,423,066)
Total shareholders' equity/(deficit)	2,855,590	(3,354,521)
Profit/(loss) for the year	227,266	(2,276,497)
Total comprehensive profit/(loss)	227,266	(2,276,497)

38. Accounting standards issued not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 31 December 2017.

Standards Likely to Have a Financial Impact

Reference	Summary	Application date
AASB 9 Financial Instruments	<p>AASB 9 contains accounting requirement for financial instruments, replacing AASB 139. The standard:</p> <ul style="list-style-type: none"> (a) contains a simpler model for classification and measurement of financial assets; (b) a single, forward looking 'expected loss' impairment model that will require more timely recognition of expected credit losses; (c) a substantially reformed approach to hedge accounting including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. <p>The Group has not yet completed its review of the application of this Standard.</p>	1 January 2018
AASB 15 Revenue from contracts with customers	<p>The core principle of AASB 15 is that an entity recognises 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 those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> Step 1 Identify the contract(s) with a customer Step 2 Identify the performance obligations in the contract Step 3 Determine the transaction price Step 4 Allocate the transaction price to the performance obligations in the contract Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation <p>Guidance is provided on topics such as when revenue should be recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.</p> <p>The new revenue standard will supersede all current revenue recognition requirements under IFRS. In particular, the standard replaces AASB 118 'Revenue' and AASB 11 'Construction Contracts', upon which the Group's current revenue recognition policies are based. Either a full retrospective application or a modified retrospective application is required for the reporting period beginning on 1 January 2018. The Group is in the process of evaluating which transition method will be applied.</p> <p>The Group will continue to carry out a systematic review of the impact of AASB 15 on existing contracts and new contracts as they are awarded. The quantitative impact of AASB 15 will not be reasonably estimable until the review is completed. However, AASB 15 will have a material impact on the disclosures required in the Group's consolidated financial reports. A further update will be provided as part of the 30 June 2018 interim financial reporting.</p>	1 January 2018
AASB 16 Leases	<p>The key features of AASB 16 are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. 	1 January 2019

Reference	Summary	Application date
	<ul style="list-style-type: none"> • AASB 16 contains disclosure requirements for lessees. <p>Lessee accounting</p> <ul style="list-style-type: none"> • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. <p>As at the reporting date, the Group has no non-cancellable operating lease commitments. The Group has not quantified the effect of the new standard, however the potential impacts will include:</p> <ul style="list-style-type: none"> • Total assets and liabilities on the Statement of Financial Position will increase; and • Interest expense will increase due to the unwinding of the effective interest rate implicit in the lease. 	

The Group has decided not to early adopt any of the new and amended pronouncements. The impact of the above-mentioned standards and pronouncements is yet to be determined.

There are no other standards that are not yet effective and that would be expected to have material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Directors' declaration

In accordance with a resolution of the directors of Volt Power Group Limited, I state that:

1. In the opinion of the directors:
 - (a) the financial statements and notes of Volt Power Group Limited for the financial year ended 31 December 2017 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2017.

On behalf of the board.

A handwritten signature in black ink, appearing to read "Simon Higgins".

Simon Higgins
Chairman
Perth
28 March 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Volt Power Group Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Volt Power Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for qualified opinion

Comparatives

Attention is drawn to the comparative figures in the consolidated statement of financial position at 31 December 2016. As stated in note 2(b) of the financial report, on the 18th October 2016, the Company (Enerji Limited) was placed into Administration (subject to a Deed of Company Arrangement) and the duties and responsibilities of the Directors were suspended from the date the Company entered into Administration. For the period in which the Company was in Administration the Directors did not have oversight or control over the Group's financial reporting systems, including (but not limited to) being able to obtain access to complete accounting records. As a result, we did not have access to the complete books and financial records of the Group, and this caused us to disclaim our audit opinion on the financial report for the year ended 31 December 2016. Our opinion on the current year's financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Current year 31 December 2017

Attention is also drawn to the gain on effectuation of the Deed of Company Arrangement of \$3,551,951 recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017. As a result of the matters outlined in the comparatives paragraph above, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness of this amount. Our audit opinion has been modified accordingly.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.



We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Business Combinations

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in note 27 of the financial report, during the year the Group acquired 50% of the equity instruments of EcoQuip Australia Pty Ltd (EcoQuip) for a total consideration of \$1,150,000 (settled by the issue of shares valued at \$150,000 and cash payment of \$1,000,000).</p> <p>This is a key audit matter due to the size of the acquisition, the complexities inherent in a business combination and the significant judgements made by management, including the identification and measurement of the fair value of assets and liabilities acquired. Under Australian Accounting Standards, management is required to identify all assets and liabilities acquired and estimate the fair value of each item. Any excess consideration that is not attributed to an asset or liability is to be recognised as goodwill.</p> <p>At 31 December 2017, the acquisition accounting for this business is provisional and, in line with the Australian Accounting Standards, the Group has up to 12 months from the date of acquisition to finalise the accounting for these acquisitions.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing the Sale and Purchase Agreement and the Subscription Agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management; • Agreeing the purchase price to the acquisition agreement and agreeing the cash consideration paid to banking and accounting records, and the shares consideration to the share price used in the calculation to the ASX quoted share price at acquisition date; • Obtaining an understanding of the transaction including an assessment as to whether the transaction constituted the acquisition of a business or an asset acquisition; • Assessing management's fair value estimation of the fair value of the assets and liabilities identified in the acquisitions, and comparing the asset and liabilities recognised against the Sale and Purchase Agreement and the Subscription Agreement and the historical financial information of the acquired business; • Testing the mathematical accuracy of the calculation of the resultant goodwill; and • Assessing the appropriateness of the related disclosures in Note 27 of the financial report.



Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Qualified Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 31 December 2017.

In our opinion, with the exception of those matters disclosed in the Basis of Qualified Opinion paragraph, the Remuneration Report of Volt Power Group Limited, for the year ended 31 December 2017, complies with section 300A of the *Corporations Act 2001*.



Basis for Qualified Opinion

As stated in note 2(b) of the financial report, on 18 October 2016 the Company (Enerji Limited) was placed into Administration and the Directors did not have control of the Company until control was transferred to them on the effectuation of the Deed of Company Agreement (DOCA) on 19 May 2017. For the period in which the Company was in Administration the Directors did not have oversight or control over the Company's financial reporting systems, including (but not limited to) being able to access financial records that correctly record and explain the transactions included in the Remuneration Report.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The signature consists of the letters 'BDO' in a simple, blocky font, followed by a stylized signature that appears to be 'J Prue'.

Jarrad Prue

Director

Perth, 28 March 2018

Investor information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.

The information is current at 23 March 2018.

Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are detailed below:

Category	No. ordinary shareholders	No. ordinary shares	% of issued capital
100,001 and over	617	8,217,943,516	99.7%
10,001 to 100,000	621	24,145,891	0.3%
5,001 to 10,000	187	1,515,456	0.0%
1,001 to 5,000	288	814,255	0.0%
1 to 1,000	435	114,440	0.0%
Total	2,148	8,244,533,558	100.0%
Unmarketable parcels	1,622	39,916,142	0.5%

Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

Rank	Name	No. ordinary shares	% of issued capital
1	ECM Pty Ltd	2,000,000,000	24.3%
2	Mr Michael Campbell Hender	660,000,000	8.0%
3	Renewable Initiative Pty Ltd	589,500,000	7.2%
4	S & N Higgins Super Pty Ltd	428,000,000	5.2%
5	Simon Higgins	345,000,000	4.2%
6	AHB Super Pty Ltd	320,000,000	3.9%
7	Hoodwinked Pty Ltd	200,000,000	2.4%
8	Nireb Nominees Pty Ltd	150,000,000	1.8%
9	Bouchi Pty Ltd	115,000,000	1.4%
10	Darryl Peter Oldfield	110,000,000	1.3%
11	Higgins Western Pty Ltd	109,000,000	1.3%
12	Act6 Pty Ltd	100,000,000	1.2%
13	Mark John Clark	100,000,000	1.2%
13	Botsis Holdings Pty Ltd	97,037,796	1.2%
15	Mr Gregory John Bittar	92,500,000	1.1%
16	John Hender	88,000,000	1.1%
17	Elecon International Pty Ltd	82,000,000	1.0%
17	RT Weeks Super Pty Ltd	80,000,000	1.0%
19	Mr Paul Alexander Everingham & Mrs Elissa Jean Everingham	71,998,159	0.9%
20	Mr Carrick Durrant Ryan	68,592,088	0.8%
	Total	5,806,628,043	70.4%
	Balance of register	2,437,905,515	29.6%
	Grand total	8,244,533,558	100.0%

Substantial shareholders

The following shareholders have declared a relevant interest in the number of voting shares at the date of giving notice under Part 6C.1 of the Corporations Act 2001.

Name	No. ordinary shares	% of issued capital
ECM Pty Ltd	3,665,000,000	44.5%
Adam Boyd	910,000,000	11.0%

Voting rights

Each ordinary shareholder present at a general meeting in person, by proxy or by representative is entitled to one vote on a show of hands, or on a poll, one vote for each fully paid ordinary share subject to any voting restrictions that may apply.