



Pollinate Group Limited and controlled entities

ABN: 96 161 067 492

Consolidated Financial report

For the year ended 30 June 2019

Pitcher Partners

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POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT

The directors present their report together with the financial report of the group, being Pollinate Energy Limited "the Company" and its controlled entities "the Group", for the year ended 30 June 2019 and auditor's report thereon.

Directors names

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

Scott Watkins

Elena Bondareva

Justine Jarvinen

Alan Beattie (resigned 15 January 2019)

Bill Rodriguez

Anya Cherneff

Amira Bliss (resigned 15 January 2019)

Bill Scull

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

Significant changes in operations

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

On 26 July 2018, Pollinate Energy became the sole member of Empower Generation, a USA based not-for-profit corporation (since renamed Pollinate Group). Pollinate Group (US) perform work dedicated to sustainably tackle the world's formidable energy challenges with a focus on developing women as leaders for this change.

Short-term and long-term objectives and strategies

Pollinate Group brings life-changing products to people who need them most – from solar powered lights to improved cook stoves to water filters. For the urban and rural poor, we are the missing link in the chain, allowing them to access, understand, and afford household products that make daily life better and safer. We do all this whilst creating jobs for women and people from disadvantaged backgrounds, giving them the skills and tools to generate a sustainable income to support their local communities.

The group's short-term objectives are to:

- Increase fundraising efforts to continue to support the growth of our operations delivering much needed technologies to people in poverty.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT

Short-term and long-term objectives and strategies (Continued)

- Increase fellowship programs to impact more students and professionals by showcasing our work and enabling them to discover the potential of social impact careers.
- Develop more opportunities for women and other marginalised groups within our team, and explore new products that improve quality of life for these groups.

The group's long-term objectives are to provide much needed access to high quality, sustainable and life-improving technologies to communities across the globe through replication of our model into regions that are underserved, and partnerships with other global partners whom we can support with our skills and expertise to reach their own local communities.

To achieve its short-term and long-term objectives, the group has adopted the following strategies:

- Increasing numbers of fellowship programs, and aligning programs to core strategic goals to ensure that our fellows are helping us accelerate our core objectives;
- Provide relevant and regular training to managers and leaders enabling higher success rates across field teams;
- Implementing new and improved training and on-boarding programs for Pollinators in all locations;
- Independent impact assessment on our new product lines focussing on the impact across family members, and utilising this information to better identify valued products for families; and
- Implementing new distribution models across the communities we serve to provide access to a greater range of products and deepen our impact.

Principal activities

To carry out the group's strategies and to achieve its short-term and long-term objectives, the group engaged in the following principal activities during the year.

The group's principal activities are:

- Bringing life-changing products to people who need them most through distribution and affordable payment plans;
- Training and developing women and others from low-resource communities to improve their access to employment and ability to generate income;
- Raising funds and advocating for better support for disempowered communities and access to life changing products; and
- Delivering high quality leadership programs for students and professionals to accelerate our impact and motivate the next generation of social entrepreneurs.

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DIRECTORS' REPORT

Key performance indicators

To help evaluate whether the activities the group established during the year have achieved its short-term and long-term objectives, the group uses the following key performance indicators to measure, analyse and monitor its performance:

The group's key performance indicators are:

- Number of products distributed to families
- Number of Pollinators and entrepreneurs active
- Payment plan default rates and performance
- Customer satisfaction on product and service provided
- Monthly revenue (from products and from fundraising efforts)
- Corporate sponsorship satisfaction and renewal
- Number of fellows participating on programs
- Fellowship satisfaction

Information on directors

Scott Watkins

Experience

Scott is currently the Chief Marketing Officer for KISCO, a Korean chemical company and is also a non-executive director and chair of parkrun Australia. Scott has a PhD in Chemistry from the University of New South Wales and spent four years in the UK working for two start-up companies in the area of Organic Light Emitting Diodes (OLEDs). Scott spent 10 years with CSIRO, Australia's national science agency, as a research scientist and manager. Most recently, Scott was the Research Leader for Thin Film Photovoltaics in CSIRO's Manufacturing Flagship, based in Melbourne, Victoria. In this role, Scott managed the research directions of his team and had responsibility for planning the commercialisation of their work. Scott managed projects on both OLEDs and solar cells and coordinated CSIRO's involvement in a number of national and international consortia aimed at developing applications of flexible electronics by linking industry with research.

Elena Bondareva

Experience

Elena is Russian by birth and upbringing, a naturalised Australian and a graduate of a US university with a knack for global trends and new-generation business models. She is passionate about mobilising individuals to create realities that far exceed their experience, and about methodically catalysing systemic change in societies, and has worked, taught and helped establish not-for-profits across five continents. She is proud to support Pollinate Group in its pioneering, brave and game-changing work.

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DIRECTORS' REPORT

Information on directors (Continued)

Justine Jarvinen

Experience

Justine's experience spans the energy, finance and non-profit sectors. She has been a highly-rated equity analyst, employed by the world's top energy companies and led a team creating a transparent not-for-profit "marketplace" at New Philanthropy Capital in London. Her work has shaped public debate and best practice on issues as diverse as charity impact, grant-making, violence against women and electric vehicles. Justine holds a first class honours degree in Engineering, a GradDip in Applied Finance and Investment, is Fellow of FINSIA and a Graduate of the Australian Institute of Company Directors. She has held directorships for a variety of corporate and non-profit organisations.

Alan Beattie

Experience

Alan has nearly 20 years social enterprise experience having co-run for profit and not-for-profit entities where the for profit business generated funds which flowed through into the NFP. This work was mainly with Indigenous communities in rural and remote Australia. Over the past couple of years Alan has worked overseas in PNG and Nauru. In Nauru Alan worked with the refugee community developing micro/small businesses and employment opportunities. Recently Alan has taken on the role as Social Enterprise Manager with Holyoake in Perth. In 2016 Alan spent 3 months in India participating in Pollinates Professional Fellowship program in Kolkata, touring and exploring social business enterprises and other business opportunities in India.

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DIRECTORS' REPORT

Information on directors (Continued)

Bill Rodriguez

Experience

Bill Rodriguez is responsible for identifying and supporting DRK Entrepreneurs. Bill is joining the Foundation as a Managing Director with primary responsibility for DRK's international portfolio. Bill currently serves on the boards of DRK portfolio organizations BarefootLaw, Food for Education, MaTontine Inc., OceanMind, Pollinate Group, The Nudge Foundation, and SaveLIFE Foundation. Bill resides in Botswana with his wife, Rebecca, an obstetrician-gynecologist, and their two young daughters.

Bill is a physician, entrepreneur and leader in global health. As a faculty member at Harvard Medical School, he established a research program on diagnostics and operational research in global health. He left Harvard in 2003 to become the Chief Medical Officer of the William J. Clinton Foundation, where he helped broker pricing agreements of HIV drugs and diagnostic tests between African and Asian governments and the major suppliers. He was the founding CEO of Daktari Diagnostics, a for-profit social venture focused on diagnosis of the diseases of poverty, and most recently served as the Chief Medical Officer for the Foundation for Innovative Diagnostics (FIND), a public-private partnership for global health based in Geneva, Switzerland. He has served as an advisor to the World Health Organization, the Bill & Melinda Gates Foundation, more than a dozen national government organizations on global HIV and tuberculosis treatment, as well as numerous start-up for-profit and not-for-profit enterprises focused on global health and workforce training. Bill is a graduate of Brown University and the Yale University School of Medicine. He trained in infectious disease medicine at the Brigham & Women's Hospital in Boston, where he served as chief medical resident. Bill brings DRK's hands-on portfolio support to our existing and future organizations and underscores the DRK commitment to its global portfolio.

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DIRECTORS' REPORT

Information on directors (Continued)

Anya Cherneff

Experience

Masters Human Rights (University of Denver), BA Anthropology (Columbia University). After fighting human trafficking and modern slavery for over five years, Anya decided to try a market-based approach to gender and development with Empower Generation. Her experience includes Founder and Associate Director of the Human Trafficking Clinic and a Princeton-in-Asia fellow in Malaysia.

Anya now has over 12 years of experience leading nonprofit programs and social enterprises in both domestic and international contexts. Anya is a creative manager known for using community-based design practices to implement social change initiatives, deploying innovative business models to solve development and equity challenges in new ways, breaking down diversity and inclusion barriers in the workplace. Anya has experience in a range of programmatic areas including women's economic and political leadership, energy access, environment, human trafficking and forced labor, rural and youth economic development and social entrepreneurship.

Amira Bliss

Experience

Amira Bliss joined The Rockefeller Foundation in 2010. As Associate Director, Mrs. Bliss designs and implements a strategy to catalyze innovation at the Foundation and in the social sector more broadly. She currently manages grants and relationships to build innovation capacity through tools like social innovation labs, and by leading programs such as The Rockefeller Foundation Global Fellowship on Social Innovation. She also leads the innovation workstream of the Food Waste and Spoilage initiative, aiming to surface and scale innovative solutions to post-harvest food loss affecting the livelihoods of African smallholder farmers. Mrs. Bliss has previously worked on Foundation initiatives to support more equitable and sustainable transportation—exploring global transportation mobility and accessibility—and developing sustainable employment strategies in the recycling and water management sectors in the United States.

Prior to joining The Rockefeller Foundation, Mrs. Bliss served as the assistant director of the Institute for Social and Economic Research and Policy (ISERP). She has also worked at Goldman Sachs, Citigroup, and the United Nations International Children's Education Fund (UNICEF). Mrs. Bliss received a bachelor's degree from Barnard College and an executive master's of public policy and administration degree from the School of International and Public Affairs at Columbia University.

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DIRECTORS' REPORT

Information on directors (Continued)

Bill Scull

Experience

After a 25-year Silicon Valley career as a marketing and strategy executive, Bill pivoted to focus upon mentoring and coaching entrepreneurs. He has mentored executive teams at over 20 African and Asian enterprises. Bill lived in West Africa for eight months mentoring companies at Stanford University's Innovation Center and mentors Social Enterprises for Santa Clara University's Miller Center. Bill also coaches teams at Stanford for two Design Thinking courses and mentors companies at Singularity University's accelerator. He has served on the Empower Generation board for 18 months. Bill has an MBA from Stanford and a Masters in Engineering from MIT.

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Scott Watkins	6	6
Elena Bondareva	6	5
Justine Jarvinen	6	6
Alan Beattie	3	3
Bill Rodriguez	6	5
Anya Cherneff	6	5
Amira Bliss	3	2
Bill Scull	6	4

Members guarantee

The parent is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the parent is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the parent. At 30 June 2019 the number of members was 5. The combined total amount that members of the parent are liable to contribute if the parent is wound up is \$50.

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DIRECTORS' REPORT


Auditor's independence declaration

A copy of the auditor's independence declaration under the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit for the financial year is provided with this report.

Signed on behalf of the Board of Directors.

Director:  _____

Scott Watkins

Director:  _____

Bill Rodriguez

Dated this 10th day of February 2020

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF POLLINATE ENERGY LIMITED - CONSOLIDATED

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Pollinate Group Limited and the entities it controlled during the year.



M J HARRISON

Partner



PITCHER PARTNERS

Melbourne

Date: 12 February 2020

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue and other income			
Revenue from contracts with customers	2	556,462	496,173
Other revenue	3	1,285,603	725,787
Other income	3	<u>27,435</u>	<u>-</u>
		<u>1,869,500</u>	<u>1,221,960</u>
Less: expenses			
Materials and consumables used		(460,565)	(395,542)
Depreciation and amortisation expense	4	(10,343)	(7,884)
Employee benefits expense		(696,866)	(549,692)
Occupancy expense		(86,829)	(83,010)
Advertising expense		(24,393)	(30,024)
Finance costs	4	(10,205)	(15,059)
Travel expense		(4,239)	(22,019)
Fellowship hosting costs		(14,024)	(9,436)
Insurance expense		(3,196)	(4,515)
Administration expense		(5,516)	(7,661)
Professional fees		(225,731)	(10,744)
Other expenses		<u>(204,551)</u>	<u>(196,825)</u>
		<u>(1,746,458)</u>	<u>(1,332,411)</u>
Surplus / (deficit) before income tax expense		123,042	(110,451)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign exchange translation of Pollinate Energy India Pvt Ltd		12,626	(8,346)
Foreign exchange translation of Pollinate Group (US)		<u>188</u>	<u>-</u>
		<u>12,814</u>	<u>(8,346)</u>
Other comprehensive income for the year		<u>12,814</u>	<u>(8,346)</u>
Total comprehensive income		<u>135,856</u>	<u>(118,797)</u>

The accompanying notes form part of these financial statements.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	5	204,348	293,068
Receivables	6	408,120	134,747
Inventories	7	4,068	7,375
Other assets	8	<u>52,656</u>	<u>48,460</u>
Total current assets		<u>669,192</u>	<u>483,650</u>
Non-current assets			
Deferred tax assets		8,375	6,134
Property, plant and equipment	9	<u>18,144</u>	<u>19,555</u>
Total non-current assets		<u>26,519</u>	<u>25,689</u>
Total assets		<u>695,711</u>	<u>509,339</u>
Current liabilities			
Payables	10	220,503	111,921
Borrowings	12	35,129	(708)
Provisions	11	<u>28,952</u>	<u>11,707</u>
Total current liabilities		<u>284,584</u>	<u>122,920</u>
Non-current liabilities			
Borrowings	12	100,000	200,000
Provisions	11	<u>690</u>	<u>11,838</u>
Total non-current liabilities		<u>100,690</u>	<u>211,838</u>
Total liabilities		<u>385,274</u>	<u>334,758</u>
Net assets		<u>310,437</u>	<u>174,581</u>
Equity			
Reserves		9,662	(3,152)
Accumulated surplus		<u>300,775</u>	<u>177,733</u>
Total equity		<u>310,437</u>	<u>174,581</u>

The accompanying notes form part of these financial statements.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed equity \$	Reserves \$	Accumulated surplus/ (deficit) \$	Total equity \$
Consolidated				
Balance as at 1 July 2017	-	5,194	288,184	293,378
Deficit for the year	-	-	(110,451)	(110,451)
Foreign exchange translation of Pollinate Energy India Pvt Ltd	-	(8,346)	-	(8,346)
Total comprehensive income for the year	<u>-</u>	<u>(8,346)</u>	<u>(110,451)</u>	<u>(118,797)</u>
Balance as at 1 July 2018	-	(3,152)	177,733	174,581
Surplus for the year	-	-	123,042	123,042
Foreign exchange translation of Pollinate Energy India Pvt Ltd	-	12,626	-	12,626
Foreign exchange translation of Pollinate Group (US)	-	188	-	188
Total comprehensive income for the year	<u>-</u>	<u>12,814</u>	<u>123,042</u>	<u>135,856</u>
Balance as at 30 June 2019	<u>-</u>	<u>9,662</u>	<u>300,775</u>	<u>310,437</u>

The accompanying notes form part of these financial statements.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash flow from operating activities			
Receipts from customers		1,611,521	1,152,035
Payments to suppliers and employees		(1,623,504)	(1,253,644)
Interest received		192	199
Income tax paid		<u>(2,241)</u>	<u>(3,783)</u>
Net cash provided by / (used in) operating activities		<u>(14,032)</u>	<u>(105,193)</u>
Cash flow from investing activities			
Payment for property, plant and equipment		<u>(8,932)</u>	<u>(11,648)</u>
Net cash used in investing activities		<u>(8,932)</u>	<u>(11,648)</u>
Cash flow from financing activities			
Proceeds / (repayments) of related party borrowings		<u>(70,000)</u>	<u>50,000</u>
Net cash provided by / (used in) financing activities		<u>(70,000)</u>	<u>50,000</u>
Reconciliation of cash			
Cash at beginning of the financial year		297,312	364,153
Net increase / (decrease) in cash held		<u>(92,964)</u>	<u>(66,841)</u>
Cash at end of financial year		<u><u>204,348</u></u>	<u><u>297,312</u></u>

The accompanying notes form part of these financial statements.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Pollinate Group Limited and its consolidated entities "the Group". Pollinate Group Limited is a Pollinate Energy Limited "the Company" limited by guarantee, incorporated and domiciled in Australia. Pollinate Group Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

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

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the group and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position respectively.

(d) Revenue from contracts with customers

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

(e) Contributions - Government Grants and Donations

A non-reciprocal contribution or grant is recognised when the group obtains control of the contribution or grant and it is probable that the economic benefits will flow to the group, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the group is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Income tax

No provision for income tax has been raised in regards to the parent entity as it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The controlled entity, Pollinate Energy India Pvt Ltd, is subject to tax in India.

(g) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(h) Financial instruments

Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Held for trading equity instruments

Held for trading equity instruments comprise those ordinary shares and options in listed entities that have been acquired by the group principally for the purpose of sale in the near term. Held for trading investments are classified (and measured) at fair value through profit or loss.

A financial asset meets the criteria for held for trading if:

- (a) it has been acquired principally for the purpose of sale in the near term;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative other than a designated and effective hedging instrument.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Useful lives	Depreciation basis
Improvements at cost	10 years	Diminishing value
Office equipment at cost	5 years	Diminishing value
Furniture, fixtures and fittings at cost	10 years	Diminishing value
Computer equipment at cost	3 years	Diminishing value

(j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

(l) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers		
Sale of goods	507,453	463,543
Rendering of services	<u>49,009</u>	<u>32,630</u>
	<u><u>556,462</u></u>	<u><u>496,173</u></u>
 NOTE 3: OTHER REVENUE AND OTHER INCOME		
Other revenue		
Interest income	305	523
Donations and grants	1,283,406	721,146
Other revenue	<u>1,892</u>	<u>4,118</u>
	<u><u>1,285,603</u></u>	<u><u>725,787</u></u>
Other Income		
Gain on merger with Pollinate Group (US)	<u><u>27,435</u></u>	<u><u>-</u></u>
 NOTE 4: OPERATING SURPLUS/(DEFICIT)		
Surplus/(deficit) before income tax has been determined after:		
Materials and consumables used	460,565	395,542
Finance Costs	10,205	15,059
Depreciation	10,343	7,884
Bad debts	1,822	19,849
Foreign currency translation losses	2,012	5,234
Employee benefits	696,866	549,692
 NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	181	839
Cash at bank	150,891	290,354
Cash on deposit	47,186	-
Other cash	<u>6,090</u>	<u>1,875</u>
	<u><u>204,348</u></u>	<u><u>293,068</u></u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 6: RECEIVABLES		
CURRENT		
Receivables from contracts with customers	408,103	133,992
Other receivables	-	10
Loans to associates	17	745
	<u>408,120</u>	<u>134,747</u>
NOTE 7: INVENTORIES		
CURRENT		
<i>At cost</i>		
Finished goods	<u>4,068</u>	<u>7,375</u>
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	9,303	6,168
Other current assets	<u>43,353</u>	<u>42,292</u>
	<u>52,656</u>	<u>48,460</u>
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Improvements at cost	2,475	1,973
Accumulated depreciation	<u>(1,467)</u>	<u>(519)</u>
	1,008	1,454
Office equipment at cost	25,288	21,788
Accumulated depreciation	<u>(15,684)</u>	<u>(10,046)</u>
	9,604	11,742
Furniture, fixtures and fittings at cost	9,589	7,710
Accumulated depreciation	<u>(5,249)</u>	<u>(3,937)</u>
	4,340	3,773
Computer equipment at cost	12,110	9,059
Accumulated depreciation	<u>(8,918)</u>	<u>(6,473)</u>
	<u>3,192</u>	<u>2,586</u>
	<u>18,144</u>	<u>19,555</u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Improvements</i>		
Opening carrying amount	1,454	-
Additions	502	1,973
Depreciation expense	<u>(948)</u>	<u>(519)</u>
Closing carrying amount	<u><u>1,008</u></u>	<u><u>1,454</u></u>
<i>Office equipment</i>		
Opening carrying amount	11,742	4,280
Additions	3,500	11,648
Disposals	-	(669)
Depreciation expense	<u>(5,638)</u>	<u>(3,517)</u>
Closing carrying amount	<u><u>9,604</u></u>	<u><u>11,742</u></u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	3,773	2,697
Additions	1,879	2,187
Depreciation expense	<u>(1,312)</u>	<u>(1,111)</u>
Closing carrying amount	<u><u>4,340</u></u>	<u><u>3,773</u></u>
<i>Computer equipment</i>		
Opening carrying amount	2,586	3,365
Additions	3,051	2,465
Disposals	-	(507)
Depreciation expense	<u>(2,445)</u>	<u>(2,737)</u>
Closing carrying amount	<u><u>3,192</u></u>	<u><u>2,586</u></u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 10: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	117,936	60,826
Sundry creditors and accruals	<u>102,567</u>	<u>51,095</u>
	<u><u>220,503</u></u>	<u><u>111,921</u></u>
NOTE 11: PROVISIONS		
CURRENT		
Employee benefits	<u>28,952</u>	<u>11,707</u>
NON CURRENT		
Employee benefits	<u>690</u>	<u>11,838</u>
NOTE 12: BORROWINGS		
CURRENT		
Amounts payable to:		
- Philanthropic investment entity	<u>30,000</u>	<u>-</u>
<i>Secured liabilities</i>		
Bank loans	<u>5,129</u>	<u>(708)</u>
	<u><u>35,129</u></u>	<u><u>(708)</u></u>
NON CURRENT		
<i>Unsecured liabilities</i>		
Amounts payable to:		
- Philanthropic investment entity	<u>100,000</u>	<u>200,000</u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the group	<u>185,000</u>	<u>162,417</u>

The names of directors who have held office during the year are:

Name	Appointment / resignation details
Scott Watkins	(appointed 4 September 2015)
Elena Bondareva	(appointed 3 May 2016)
Justine Jarvinen	(appointed 7 September 2016 / resigned 12 November 2019)
Alan Beattie	(appointed 7 September 2016 / resigned 21 December 2018)
Bill Rodriguez	
Anya Cherneff	
Amira Bliss	(resigned 15 January 2019)
Bill Scull	

NOTE 14: INTERESTS IN CONTROLLED ENTITIES

(a) Controlled entities

The following are the controlled entities of Pollinate Group:

Controlled entities of Pollinate Group:	Country of incorporation	Ownership interest held by the group		Ownership interest held by NCI	
		2019	2018	2019	2018
		%	%	%	%
Pollinate Energy India Pvt Ltd	India	99.99	99.99	0.01	0.01

Ownership interests are the same as voting rights in shareholder meetings.

Pollinate Group (Empower Generation)	United States of America	100	-	-	-
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Pollinate Group (Australia) became the sole member of Pollinate Group (formerly known as Empower Generation) on 26 July 2018. Net assets of the entity on this date was \$27,435. As the sole member of the corporation, Pollinate Energy has complete voting rights.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: MEMBERS' GUARANTEE

The parent is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the parent is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the parent. At 30 June 2019 the number of members was 5. The combined total amount that members of the parent are liable to contribute if the parent is wound up is \$50.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the group.

NOTE 17: ENTITY DETAILS

The registered office of the group is:

Pollinate Group Limited
Unit 1, 396 Clarendon Street
SOUTH MELBOURNE VIC 3205

The principal place of business is:

Pollinate Group Limited
713 Brunswick Street
FITZROY NORTH VIC 3068

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 96 161 067 492

DIRECTORS' DECLARATION


The directors declare that:

1. there are reasonable grounds to believe that the group is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director: 

Scott Watkins

Director: 

Bill Rodriguez

Dated this 10th day of February 2020

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 96 161 067 492

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POLLINATE ENERGY LIMITED - CONSOLIDATED

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Pollinate Energy Limited "the Company" and its controlled entities, "the Group", which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, 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 Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for the Company to maintain effective systems of internal controls over donations income until their initial entry in the accounting records. We were unable to obtain sufficient appropriate audit evidence surrounding the completeness of general donations. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Accordingly, our audit in relation to this income was limited to amounts recorded.

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 *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 96 161 067 492

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POLLINATE ENERGY LIMITED - CONSOLIDATED

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *ACNC Act* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 96 161 067 492

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POLLINATE ENERGY LIMITED - CONSOLIDATED

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



M J HARRISON

Partner



PITCHER PARTNERS

Melbourne

Date 12 February 2020