

Pollinate Group Limited and controlled entities

ABN: 96 161 067 492

Consolidated Financial report

For the year ended 30 June 2020

Pitcher Partners

Level 13, 664 Collins Street, Docklands VIC 3008

p: +61 3 8610 5000

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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 2020 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 (Resigned 12 November 2019)

Bill Rodriguez (Resigned 14 February 2020)

Anya Cherneff

Bill Scull

Adrian Scott (Appointed 8 October 2019)

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

Significant changes in state of affairs

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

On 11th March 2020 the World Health Organisation declared an ongoing global outbreak of a novel coronavirus, known as 'coronavirus disease 2019' ('COVID-19') as a pandemic.

The global economy has been impacted significantly and the entity has experienced direct impact in the communities it works with from the COVID-19 pandemic. The Group has been primarily impacted through the lower volume of sales and delay of project delivery.

The Group has experienced a negative impact from the COVID-19 pandemic with short-term implications to the Group revenue and operational expenditure. However, there have been changes to planned activities to improve their operation in line with the easing of Federal/State restrictions in the post COVID-19 period.

Mission

To create a world where women are equipped to lead their communities out of poverty.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT

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:

- Build a network of skilled women entrepreneurs who work within their local communities to understand their needs and bring life changing products to bear in a sustainable way
- Increase fundraising efforts to continue to support the growth of our operations delivering much needed technologies to people in poverty
- 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 Suryamukhis 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.

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DIRECTORS' REPORT

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.

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 Suryamukhis (entrepreneurs) active and their incomes
- 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

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DIRECTORS' REPORT

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.

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.

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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.

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. Bill has an MBA from Stanford and a Masters in Engineering from MIT.

Adrian Scott

Experience

Adrian is a retired Senior Executive, having spent almost 30 years at Accenture helping public and private organisations apply technology to improve their performance. Adrian led large scale project teams implementing solutions for major clients across a wide range of industries and has worked extensively in Asia, Europe and North America. He established and operates his family philanthropic foundation in honor of his father where he is focused on social impact investing, aligned with his deep and abiding interest in making a positive impact both locally and across the developing world in access to energy and finance, education and health.

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DIRECTORS' REPORT

Meetings of Directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Scott Watkins	7	7
Elena Bondareva	7	7
Justine Jarvinen	2	2
Bill Rodriguez	4	2
Anya Cherneff	7	5
Bill Scull	7	6
Adrian Scott	6	6

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 2020 the number of members was 20. The combined total amount that members of the parent are liable to contribute if the parent is wound up is \$200.

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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:  _____

Adrian Scott

Dated this 9th day of December 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 2020, 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: 27 January 2021

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 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Revenue from contracts with customers	2	456,005	870,999
Other revenue	3	1,333,922	971,066
Other income	3	<u>44,700</u>	<u>27,435</u>
		<u>1,834,627</u>	<u>1,869,500</u>
Less: expenses			
Materials and consumables used		(260,624)	(460,565)
Depreciation and amortisation expense	4	(8,510)	(10,343)
Employee benefits expense		(855,317)	(696,866)
Occupancy expense		(92,337)	(86,829)
Advertising expense		(15,175)	(24,393)
Finance costs	4	9,124	(10,205)
Travel expense		(14,365)	(4,239)
Fellowship hosting costs		(10,517)	(14,024)
Insurance expense		(4,932)	(3,196)
Administration expense		(20,619)	(5,516)
Professional fees		(219,064)	(225,731)
Other expenses		<u>(137,233)</u>	<u>(204,551)</u>
		<u>(1,629,569)</u>	<u>(1,746,458)</u>
Surplus before income tax expense		205,058	123,042
Income tax expense	5	<u>(4,641)</u>	<u>-</u>
Net surplus from continuing operations		<u>200,417</u>	<u>123,042</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign exchange translation of Pollinate Energy India Pvt Ltd		(17,957)	12,626
Foreign exchange translation of Pollinate Group (US)		<u>492</u>	<u>188</u>
		<u>(17,465)</u>	<u>12,814</u>
Other comprehensive income for the year		<u>(17,465)</u>	<u>12,814</u>
Total comprehensive income		<u>182,952</u>	<u>135,856</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 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6	607,829	204,348
Receivables	7	388,390	408,120
Inventories	8	2,414	4,068
Other assets	9	<u>28,366</u>	<u>52,656</u>
Total current assets		<u>1,026,999</u>	<u>669,192</u>
Non-current assets			
Deferred tax assets	5	17,223	8,375
Property, plant and equipment	10	<u>7,089</u>	<u>18,144</u>
Total non-current assets		<u>24,312</u>	<u>26,519</u>
Total assets		<u>1,051,311</u>	<u>695,711</u>
Current liabilities			
Payables	11	202,181	220,503
Borrowings	13	163,638	35,129
Provisions	12	18,509	28,952
Current tax liabilities	5	<u>4,353</u>	<u>-</u>
Total current liabilities		<u>388,681</u>	<u>284,584</u>
Non-current liabilities			
Borrowings	13	167,875	100,000
Provisions	12	<u>1,366</u>	<u>690</u>
Total non-current liabilities		<u>169,241</u>	<u>100,690</u>
Total liabilities		<u>557,922</u>	<u>385,274</u>
Net assets		<u>493,389</u>	<u>310,437</u>
Equity			
Reserves		(7,803)	9,662
Accumulated surplus		<u>501,192</u>	<u>300,775</u>
Total equity		<u>493,389</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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Contributed equity \$	Reserves \$	Accumulated surplus \$	Total equity \$
Consolidated				
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 1 July 2019	-	9,662	295,420	305,082
Surplus for the year	-	-	200,417	200,417
Foreign exchange translation of Pollinate Energy India Pvt Ltd	-	(17,957)	-	(17,957)
Foreign exchange translation of Pollinate Group (US)	-	492	-	492
Total comprehensive income for the year	<u>-</u>	<u>(17,465)</u>	<u>200,417</u>	<u>182,952</u>
Transfers	-	-	5,355	5,355
Balance as at 30 June 2020	<u>-</u>	<u>(7,803)</u>	<u>501,192</u>	<u>493,389</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 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from customers		1,853,541	1,611,521
Payments to suppliers and employees		(1,634,552)	(1,623,504)
Interest received		816	192
Income tax paid		<u>(9,136)</u>	<u>(2,241)</u>
Net cash provided by / (used in) operating activities		<u>210,669</u>	<u>(14,032)</u>
Cash flow from investing activities			
Payment for property, plant and equipment		<u>(3,572)</u>	<u>(8,932)</u>
Net cash used in investing activities		<u>(3,572)</u>	<u>(8,932)</u>
Cash flow from financing activities			
Proceeds / (repayments) of related party borrowings		<u>196,384</u>	<u>(70,000)</u>
Net cash provided by / (used in) financing activities		<u>196,384</u>	<u>(70,000)</u>
Reconciliation of cash			
Cash at beginning of the financial year		204,348	297,312
Net increase / (decrease) in cash held		<u>403,481</u>	<u>(92,964)</u>
Cash at end of financial year		<u><u>607,829</u></u>	<u><u>204,348</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 2020**

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. The Directors have prepared the financial report 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.

The Directors assessment acknowledges the impact of COVID-19, however note the 30 June 2020 net asset position, together with forecast activity levels, support the going concern basis of reporting. The Directors note that the forecasts include significant grant and donation income is required for activity levels to be maintained over the next twelve months, and that these inflows are not certain at this time. The entity continues to seek to address the cash requirements by seeking new donors and continuing commercial activity.

The financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

If the going concern basis of accounting is found to be no longer appropriate, the recoverable amounts of the assets shown on the Consolidated Statement of Financial Position are likely to be significantly less than the amounts disclosed, and the liabilities may differ significantly from those reflected in the Statement of Financial Position.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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) New and revised accounting standards effective at 30 June 2020

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15 *Revenue from Contracts with Customers* (AASB 15).

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) New and revised accounting standards effective at 30 June 2020 (Continued)

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the Group has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the Group's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(e) and Note 1(f) .

(e) 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.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Income arising from the transfer of assets

The Group derives income from the transfer of assets when the Group provides no consideration in exchange for the asset received, or the consideration provided by the Group is significantly less than the fair value of the asset received, principally to enable the Group to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'.

Donations

Cash donations and goods donated for resale are recognised as income when the Group obtains control of the asset. Cash is recognised at the fair value of the consideration received. Goods donated for resale are recognised at current replacement cost.

Operating grants

A transfer of an asset, including cash, under arrangements that do not contain enforceable and sufficiently specific performance obligations is referred to in the financial statements as an 'operating grant'. Assets arising from operating grants are recognised at fair value when the Group obtains control of the asset. Any related amounts, such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions are recognised in accordance with the applicable Australian Accounting Standard. The excess of the initial carrying amount of assets received over the aggregate of the consideration provided by the Group and any related amounts is recognised as income.

(g) Government Grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by coronavirus (COVID-19).

(h) 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.

(i) Inventories

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

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) 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.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment (Continued)

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

(l) 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.

(m) 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.

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) 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.

(o) Comparatives

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

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers

Sale of goods	288,480	507,453
Rendering of services	<u>167,525</u>	<u>363,546</u>
	<u>456,005</u>	<u>870,999</u>

NOTE 3: OTHER REVENUE AND OTHER INCOME

Other revenue

Interest income	816	305
Donations and grants	1,319,588	968,869
Other revenue	<u>13,518</u>	<u>1,892</u>
	<u>1,333,922</u>	<u>971,066</u>

Other Income

Gain on merger with Pollinate Group (US)	-	27,435
Government subsidies and support revenue	<u>44,700</u>	<u>-</u>
	<u>44,700</u>	<u>27,435</u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 4: OPERATING SURPLUS		
Surplus before income tax has been determined after:		
Materials and consumables used	260,624	460,565
Finance Costs	(9,124)	10,205
Depreciation	8,510	10,343
Bad debts	-	1,822
Foreign currency translation losses	3,813	2,012
Employee benefits	855,317	696,866
NOTE 5: INCOME TAX		
(a) Components of tax expense		
Current tax	<u>4,641</u>	<u>-</u>
	<u>4,641</u>	<u>-</u>
(b) Income tax reconciliation		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 30.0% (2019: 30.0%)	61,517	36,913
Add tax effect of:		
Less tax effect of:		
Non assessable charitable profits	<u>56,876</u>	<u>36,913</u>
	<u>56,876</u>	<u>36,913</u>
Income tax expense attributable to profit	<u>4,641</u>	<u>-</u>
(c) Current tax		
Current tax relates to the following:		
<i>Current tax liabilities / (assets)</i>		
Opening balance	-	-
Income tax - India	<u>4,353</u>	<u>-</u>
Current tax liabilities / (assets)	<u>4,353</u>	<u>-</u>

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 5: INCOME TAX (CONTINUED)		
(d) Deferred tax		
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
The balance comprises:		
Timing differences - India	<u>17,223</u>	<u>8,375</u>
The balance comprises:		
Net deferred tax assets / (liabilities)	<u><u>17,223</u></u>	<u><u>8,375</u></u>
 NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	-	181
Cash at bank	599,640	150,891
Cash on deposit	2,153	47,186
Other cash	<u>6,036</u>	<u>6,090</u>
	<u><u>607,829</u></u>	<u><u>204,348</u></u>
 NOTE 7: RECEIVABLES		
CURRENT		
Receivables from contracts with customers	370,836	408,103
Other receivables	<u>17,554</u>	<u>17</u>
	<u><u>388,390</u></u>	<u><u>408,120</u></u>
 NOTE 8: INVENTORIES		
CURRENT		
<i>At cost</i>		
Finished goods	<u>2,414</u>	<u>4,068</u>
 NOTE 9: OTHER ASSETS		
CURRENT		
Prepayments	5,948	9,303
Other current assets	<u>22,418</u>	<u>43,353</u>
	<u><u>28,366</u></u>	<u><u>52,656</u></u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Improvements at cost	1,992	2,475
Accumulated depreciation	<u>(1,790)</u>	<u>(1,467)</u>
	202	1,008
Office equipment at cost	1,553	25,288
Accumulated depreciation	<u>(768)</u>	<u>(15,684)</u>
	785	9,604
Furniture, fixtures and fittings at cost	9,676	9,589
Accumulated depreciation	<u>(6,387)</u>	<u>(5,249)</u>
	3,289	4,340
Computer equipment at cost	14,688	12,110
Accumulated depreciation	<u>(11,875)</u>	<u>(8,918)</u>
	<u>2,813</u>	<u>3,192</u>
	<u><u>7,089</u></u>	<u><u>18,144</u></u>

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Improvements

Opening carrying amount	1,008	1,454
Additions	-	502
Disposals	(483)	-
Depreciation expense	<u>(323)</u>	<u>(948)</u>
Closing carrying amount	<u><u>202</u></u>	<u><u>1,008</u></u>

Office equipment

Opening carrying amount	9,604	11,742
Additions	907	3,500
Disposals	(5,634)	-
Depreciation expense	<u>(4,092)</u>	<u>(5,638)</u>
Closing carrying amount	<u><u>785</u></u>	<u><u>9,604</u></u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	4,340	3,773
Additions	87	1,879
Depreciation expense	<u>(1,138)</u>	<u>(1,312)</u>
Closing carrying amount	<u><u>3,289</u></u>	<u><u>4,340</u></u>
<i>Computer equipment</i>		
Opening carrying amount	3,192	2,586
Additions	2,578	3,051
Depreciation expense	<u>(2,957)</u>	<u>(2,445)</u>
Closing carrying amount	<u><u>2,813</u></u>	<u><u>3,192</u></u>
NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	116,267	117,936
Sundry creditors and accruals	<u>85,914</u>	<u>102,567</u>
	<u><u>202,181</u></u>	<u><u>220,503</u></u>
NOTE 12: PROVISIONS		
CURRENT		
Employee benefits	<u>18,509</u>	<u>28,952</u>
NON-CURRENT		
Employee benefits	<u>1,366</u>	<u>690</u>
NOTE 13: BORROWINGS		
CURRENT		
Amounts payable to:		
- Philanthropic investment entity	<u>162,818</u>	<u>30,000</u>
<i>Secured liabilities</i>		
Bank loans	<u>820</u>	<u>5,129</u>

POLLINATE GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 96 161 067 492

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 13: BORROWINGS (CONTINUED)		
	<u>163,638</u>	<u>35,129</u>
NON-CURRENT		
<i>Unsecured liabilities</i>		
Amounts payable to:		
- Philanthropic investment entity	<u>167,875</u>	<u>100,000</u>
NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the Group	<u>130,758</u>	<u>185,000</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)
Bill Rodriguez	(appointed 7 September 2016 / resigned 14 February 2020)
Anya Cherneff	
Bill Scull	
Adrian Scott	(Appointed 8 October 2019)

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: 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	
		2020 %	2019 %	2020 %	2019 %
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	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.

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Transactions with entities with joint control or significant influence over the entity

Pollinate Group Limited provides financial and administrative support to the Indian and United States subsidiaries. The donations made by the Australian parent to the Indian subsidiary were \$639,995.

(b) Transactions with other related parties

The Directors are related parties, they are unremunerated for this role.

NOTE 17: 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 2020 the number of members was 20. The combined total amount that members of the parent are liable to contribute if the parent is wound up is \$200.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

The global economy continues to be impacted significantly and the entity has experienced direct impact in the communities it works with from the COVID-19 pandemic. The operational activity of the Company has been primarily impacted through the lower volume of sales and delay of project delivery. The Group has experienced a negative impact from the COVID-19 pandemic with short-term implication to the Group revenue and operational expenditure. However, there have been changes to planned activities to improve their operation in line with the easing of Federal/State restrictions in the post COVID-19 period.

There has been no other matter or circumstance, which has arisen since 30 June 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2020, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2020, of the Group.

NOTE 19: 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
Unit 1, 396 Clarendon Street
SOUTH MELBOURNE VIC 3205

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: _____

Adrian Scott

Dated this 9th day of December 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 2020, 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 2020 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 Group 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

Material Uncertainty related to Going Concern

As disclosed in Note 1(b), 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. The Directors have prepared the financial report 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.

The Directors assessment acknowledges the impact of COVID-19, however note the 30 June 2020 net asset position, together with forecast activity levels, support the going concern basis of reporting. The Directors note that the forecasts include significant grant and donation income is required for activity levels to be maintained over the next twelve months, and that these inflows are not certain at this time. The Group continues to seek to address the cash requirements by seeking new donors and continuing commercial activity. Our opinion is not further qualified in respect of this matter.

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 2020, 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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report (Continued)
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:

- 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.

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)

- 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 27 January 2020