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BidEnergy Limited

FINANCIAL REPORT RELEASE - FINANCIAL YEAR ENDED 30 JUNE 2016

ASX RELEASE **1 February 2017**

Highlights

- **FY2016 operating revenue of $840,334 due to continued strong demand for its unique technology solution and increased subscription agreements.**
- **Net loss of $3.3m due primarily to listing costs and increased investment in the business to scale up operations and platform development to deliver on its growth strategy.**
- **Results pre-date BidEnergy's ASX listing and are provided as context for the Company's subsequent financial reports.**

Australian technology company, **BidEnergy Limited (ASX: BID)** ("BidEnergy" or "the Company") is pleased to provide its financial results for the full year ended 30 June 2016.

These results were not included in the 30 June 2016 financial results of Cove Resources Limited that were released on 31 August 2016 as the reverse takeover of Cove by BidEnergy was completed after the financial year end.

BidEnergy's operating revenue for FY2016 was $840,334. The net loss after tax for the year was $3.3 million, due to increased investment to scale up operations and platform development to deliver on its growth strategy and due to costs associated with the reverse takeover of Cove Resources Limited.

This set of financial results has been released to provide context for the BidEnergy half year results to be released at the end of February 2017.

-ENDS-

Further Information:
Stuart Allinson
Managing Director
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About BidEnergy Ltd

BidEnergy is an Australian technology company, headquartered in Melbourne. BidEnergy's cloud-based platform is used by multi-site organisations to manage their energy category, using robotic process automation to gather complete and accurate data on energy spend and usage. By automatically capturing and validating invoices and meter data, BidEnergy's customers can streamline their accounting and payments processes, go to market at short notice to optimise their supply contracts and reduce on-bill charges using sophisticated analytics and reporting.

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BIDENERGY (OPERATIONS) PTY LTD
AND CONTROLLED ENTITIES
ACN: 158 837 097

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

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Directors' Report

The directors present their report on the entity for the financial year ended 30 June 2016.

Directors

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

Anthony Du Preez
Bob Browning
Clive Stuart Allinson
Zac Rosenberg (appointed January 2015)

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

Review of Operations

The consolidated loss for the financial year amounted to $3,302,776 (2015: $1,601,884 loss).

A review of the operations of the company during the financial year and the results of those operations show the company increased revenue by 68% to $840,334.

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were the provision of cloud based energy procurement systems.

Events Subsequent to the End of the Reporting Period

On 1 July 2016, the company announced that it had completed the merger with Cove Resources Limited. The transaction was a reverse acquisition with BidEnergy (Operations) Pty Ltd becoming the controlling entity for accounting purpose.

On 20 July 2016 Cove Resources Limited's name and ASX ticker changed to BidEnergy Limited (ASX:BID) and re-commenced trading on this day

A $7 million capital raising was completed and the proceeds from this capital raising will be used to rollout the BidEnergy platform to deregulated markets UK, Europe, and North America, through direct sales and channel partners

On 24 November 2016 BidEnergy Inc, a subsidiary of BidEnergy (Operations) Pty Ltd, acquired leading independent energy rebate capture specialist, Philadelphia-based RealWinWin. The acquisition delivers BidEnergy a functioning channel and immediate and direct access to energy category managers in over 100 multi-site prospects.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

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Directors' Report

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

No dividends were paid or declared during or since the end of the financial year.

Options

There were 16,483 options (2015: 3,797) over issued shares in the entity during the financial year.

Indemnifying Officers or Auditor

The company, to the extent permitted by law and subject to the restrictions in s199A and s199B of the *Corporations Act 2001*, the company indemnifies every person who is or has been an officer of the company against any liability incurred by that person as an officer of the company. The company has insured directors, company secretaries and executive directors for the financial year 30 June 2016.

Under the company's directors' and officers' liability insurance policy, the company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the company relies on s300(9) of the *Corporations Act 2001* to exempt it from the requirements to disclose the nature of the liability insured against and the premium amount of the policy.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the Directors:

....

Anthony Du Preez
Director

Melbourne, VIC
31 January 2017

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of BidEnergy (Operations) Pty Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Melbourne, VIC
31 January 2017

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	Notes	Consolidated 2016 $	Consolidated 2015 $
Revenue	2	840,334	500,420
Other income	2	407,847	173,954
Support and development expense		(145,211)	-
Administration expense		(310,586)	(74,466)
Conferences expense		(107,747)	(82,606)
Employee benefits expense		(2,697,979)	(1,076,368)
Finance costs		(357,050)	(378,113)
Marketing expense		(173,195)	(134,673)
Consulting expense		(119,188)	(194,020)
Travel expense		(204,662)	(77,823)
Occupancy expense		(123,786)	(56,929)
Other expenses		(311,555)	(201,222)
Loss before income tax	3	(3,302,776)	(1,601,844)
Income tax expense	4	-	-
Loss for the year		(3,302,776)	(1,601,844)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(3,302,776)	(1,601,844)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at 30 June 2016

	Notes	Consolidated 2016 $	Consolidated 2015 $
Current Assets			
Cash and cash equivalents	5	2,624,643	2,395,880
Trade and other receivables	6	128,768	206,367
Other assets	7	6,461	10,414
Total Current Assets		2,759,872	2,612,661
Non-Current Assets			
Plant and equipment	8	19,976	19,980
Other assets	7	26,318	12,626
Total Non-Current Assets		46,294	32,606
Total Assets		**2,806,166**	**2,645,267**
Current Liabilities			
Trade and other payables	9	208,172	146,149
Borrowings	10	2,068,042	1,734,188
Provisions	11	107,225	58,574
Other liabilities	12	31,116	11,258
Total Current Liabilities		2,414,555	1,950,169
Non-Current Liabilities			
Provisions	11	24,667	10,926
Total Non-Current Liabilities		24,667	10,926
Total Liabilities		**2,439,222**	**1,961,095**
Net Assets		**366,944**	**684,172**
Equity			
Issued capital	13	2,892,079	400,060
Reserves		2,786,312	2,292,782
Accumulated losses		(5,311,447)	(2,008,670)
Total Equity		**366,944**	**684,172**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

Consolidated	Notes	Issued capital $	Reserves $	Accumulated losses $	Total Equity $
Balance at 1 July 2014		400,060	576,421	(406,826)	569,655
Loss for the year		-	-	(1,601,844)	(1,601,844)
Other comprehensive income for the year		-	-	-	-
Convertible note reserve		-	1,858,879	-	1,858,879
Share option reserve		-	225,801	-	225,801
Capital raising costs		-	(368,319)	-	(368,319)
Balance at 30 June 2015		400,060	2,292,782	(2,008,670)	684,172
Balance at 1 July 2015		400,060	2,292,783	(2,008,670)	684,172
Loss for the year		-	-	(3,302,776)	(3,302,776)
Other comprehensive income for the year		-	-	-	-
Convertible note reserve		-	-	-	-
Share capital issued		2,860,338	-	-	2,860,338
Share option reserve		-	125,210	-	125,210
Capital raising costs (reallocation)		(368,319)	368,319	-	-
Balance at 30 June 2016		2,892,079	2,786,312	(5,311,447)	366,944

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cashflow

For the year ended 30 June 2016

	Notes	Consolidated 2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,037,790	483,612
Receipts from research and development incentive		271,747	129,992
Payments to suppliers and employees		(3,923,815)	(1,781,979)
Interest received		36,100	43,962
Finance costs paid		(23,195)	(465)
Net cash provided by/(used in) operating activities	14	(2,601,373)	(1,124,878)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(16,510)	(22,921)
Payment of security deposits		(13,692)	(7,700)
Net cash provided by/(used in) investing activities		(30,202)	(30,621)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,860,338	2,717,858
Net cash provided by/(used in) financing activities		2,860,338	2,717,858
Net increase/(decrease) in cash and cash equivalents held		228,763	1,562,359
Cash and cash equivalents at beginning of year		2,395,879	833,520
Cash and cash equivalents at end of year	5	2,624,642	2,395,879

The above Consolidated Statement of Cashflow should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BidEnergy (Operations) Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the Australian Accounting Standards and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BidEnergy (Operations) Pty Ltd ("company" or "parent entity") as at 30 June 2016 and the results of all subsidiaries for the year then ended. BidEnergy (Operations) Pty Ltd as the Group or the consolidated entity.

Subsidiaries are all of those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

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

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Notes to the Financial Statements

For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Accounting Policies

(a). Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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Notes to the Financial Statements
For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(b). Fair Value of Assets and Liabilities

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

The company does not measure any of its assets and liabilities at fair value on either a recurring or non-recurring basis.

(c). Plant and Equipment

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

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office equipment	15-30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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Notes to the Financial Statements

For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d). Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at cost.

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

ii. Financial liabilities
Non-derivative financial liabilities other than financial guarantees are subsequently measured at cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

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

Notes to the Financial Statements

For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(e). Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(f). Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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Notes to the Financial Statements

For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(g). Provisions

Provisions are recognised when the company 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. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h). Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(i). Revenue and Other Income

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(j). Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at cost less any provision for impairment.

(k). Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l). Goods and Services Tax (GST)

Revenues, expenses and 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 statement of financial position are shown inclusive of GST.

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Notes to the Financial Statements

For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(m). Share Based Payments

Equity-settled share-based payments are provided to certain suppliers. Equity-settled transactions are awards of shares, or options over shares, that are provided to suppliers in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the entity receives the services that entitle the suppliers to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

(n). Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

(o). Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Notes to the Financial Statements
For the year ended 30 June 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(p). New Accounting Standards for Application in Future Periods

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective. The impact of the initial application of these Standards and Interpretations in the future have not been assessed.

Reference	Title	Summary	Application date (financial years beginning)
AASB 15	*Revenue from Contracts with Customers*	It contains a single model for contracts with customers based on a five-step analysis of transactions for revenue recognition, and two approach, a single time or over time, for revenue recognition.	1 January 2018
AASB 9	*Financial Instruments*	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018
AASB 16	Leases	AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. This standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts, effectively resulting in the recognition of almost all leases on the statement of financial position. The accounting by lessors, however, will not significantly change.	1 January 2019

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Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 $	Consolidated 2015 $
NOTE 2. REVENUE AND OTHER INCOME		
Revenue:		
Service fees	840,334	500,420
Other income:		
Interest income	36,100	43,962
Option fee	100,000	-
Research and deveopment tax incentive	271,747	129,992
	1,248,181	674,374
NOTE 3. PROFIT/(LOSS) FOR THE YEAR		
Profit for the year has been arrived at after charging the following items of expense:		
Depreciation expense	16,514	9,269
Employee share option expense	125,210	-
Bad and doubtful debts	106,476	129,770
Interest expense - convertible notes	333,854	377,648
NOTE 4. INCOME TAX EXPENSE		
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable/(receivable) on profit from ordinary activities before income tax at 30% (2015: 30%)	(3,302,776)	(480,553)
Add:		
Tax effect of:		
- tax losses not recognised	3,302,776	480,553
Income tax attributable to entity	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated	
	2016	2015
	$	$
NOTE 5. CASH AND CASH EQUIVALENTS		
Current		
Cash at bank	2,624,643	2,395,880
NOTE 6. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	210,340	206,367
Less provision for doubtful debts	(81,572)	-
	128,768	206,367
NOTE 7. OTHER ASSETS		
Current		
Prepayments	6,461	10,414
Non Current		
Deposit bonds	26,318	12,626
NOTE 8. PLANT AND EQUIPMENT		
Non Current		
Office equipment - at cost	53,484	36,974
Less accumulated depreciation	(33,508)	(16,994)
Total plant and equipment	19,976	19,980
NOTE 9. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	99,964	57,696
Other payables	108,208	88,453
	208,172	146,149

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Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated	
	2016	2015
	$	$
NOTE 10. BORROWINGS		
Current		
Convertible note liability	2,068,042	1,734,188
NOTE 11. PROVISIONS		
Current		
Provision for annual leave	107,225	58,574
Non Current		
Provision for long service leave	24,667	10,926
NOTE 12. OTHER LIABILITIES		
Current		
Deferred income	31,116	11,258
NOTE 13. ISSUED CAPITAL		
66,446 fully paid class A shares (2015: 52,800)	2,892,079	400,060

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Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 $	Consolidated 2015 $
NOTE 14. CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit/(Loss) from Ordinary Activities after income tax:		
Loss from Ordinary Activities after income tax	(3,302,776)	(1,601,844)
Non-cash flows in ordinary activities:		
Depreciation expense	16,514	9,269
Interest expense - convertible notes	333,854	377,648
Employee share option expense	125,210	-
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	77,599	(28,066)
(Increase) / decrease in other assets	3,953	(1,837)
Increase/ (decrease) in trade and other payables	62,023	68,526
Increase/ (decrease) in other liabilities	19,858	11,258
Increase/ (decrease) in provisions	62,392	40,168
Cash flows from operating activities	(2,601,373)	(1,124,878)

NOTE 15. CONTINGENT LIABILITIES AND ASSETS

The directors are not aware of any contingent liabilities or contingent assets.

NOTE 16. COMMITMENTS

	2016	2015
Operating Lease Commitments:		
Not later than one year	51,393	28,350
Later than one year and not later than five years	51,393	-
More than five years	-	-
	102,786	28,350

The company has no capital expenditure commitments.

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Notes to the Financial Statements
For the year ended 30 June 2016

NOTE 17. CONTROLLED ENTITIES
Subsidiaries of BidEnergy Pty Ltd:

	Country of Incorporation	Percentage Owned (%)
BidEnergy Limited	United Kingdom	100%
BidEnergy Inc	United States	100%

NOTE 18. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 1 July 2016, the company announced that it had completed the merger with Cove Resources Limited. The transaction was a reverse acquisition with BidEnergy (Operations) Pty Ltd becoming the controlling entity for accounting purposes.

On 20 July 2016 Cove Resources Limited's name and ASX ticker changed to BidEnergy Limited (ASX:BID) and re-commenced trading on this day.

A $7 million capital raising was completed and the proceeds from this capital raising will be used to rollout the BidEnergy platform to deregulated markets UK, Europe, and North America, through direct sales and channel partners.

On 24 November 2016 BidEnergy Inc, a subsidiary of BidEnergy (Operations) Pty Ltd, acquired leading independent energy rebate capture specialist, Philadelphia-based RealWinWin. The acquisition delivers BidEnergy a functioning channel and immediate and direct access to energy category managers in over 100 multi-site prospects.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

NOTE 19. COMPANY DETAILS
The registered office and principal place of business of the company is:
BidEnergy (Operations) Pty Ltd
Exchange Tower Suite 1208
530 Little Collins Street
MELBOURNE VIC 3000

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Directors' Declaration

In accordance with a resolution of the directors of BidEnergy (Operations) Pty Ltd, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

1. The financial statements and notes as set out on pages 5 to 21:

   (a) comply with Accounting Standards; and

   (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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

This declaration is made in accordance with a resolution of the Board of Directors.

....

Anthony Du Preez
Director

Melbourne, VIC
31 January 2017

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BIDENERGY (OPERATIONS) PTY LTD

We have audited the accompanying financial report, being a special purpose financial report, of BidEnergy (Operations) Pty Ltd, which comprises the consolidated statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BidEnergy (Operations) Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion the financial report of BidEnergy (Operations) Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Melbourne, VIC
31 January 2017