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# **EP & T Pty Limited and its aggregated companies**

For the half year ended 31 December 2020

Interim Report

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# Responsible Body's Report

The Responsible Body consists of the Directors of EP & T Pty Limited. The Responsible Body presents their report on EP & T Pty Limited and its aggregated companies (the "Aggregated Group") for the half year ended 31 December 2020.

The Aggregated Group consist of the following entities:

- EP & T Pty Limited (ABN 87 060 381 142)
- EP & T Global Limited (UK)
- EP & T Global Limited (HK)
- EP & T FZ LLC (Dubai)

## Directors details

The names of the Directors of each of the above entities in office at any time during or since the end of the financial periods are:

### EP & T Pty Limited (ABN 87 060 381 142)

- Kirthi Gunaratne
- Upali Gunaratna
- Richard Pillinger (13/10/2020 to 28/10/2020)

### EP & T Global Limited (UK)

- Kirthi Gunaratne

### EP & T Global Limited (HK)

- Kirthi Gunaratne

### EP & T FZ LLC (Dubai)

- Kirthi Gunaratne

## Review of operations and financial results

The net loss after tax of the Aggregated Group for the half year ended 31 December 2020 is \$2,885,347 (half year ended 31 December 2019: loss \$1,722,471).

Signed in accordance with a resolution of the Directors.



Kirthi Gunaratne  
Director

Dated the 17th day of March 2020

# Aggregated Statement of Profit or Loss and Other Comprehensive Income

For half year ended 31 December

	Notes	2020 \$	2019 \$
Revenue		3,223,118	3,503,427
Other income		1,011,981	376,552
Raw materials and consumables used		(178,016)	(403,996)
Employee benefits expense		(3,667,355)	(3,453,650)
Depreciation expense	6	(253,201)	(269,862)
Sales and marketing expense		(81,472)	(35,641)
Occupancy costs		(110,314)	(105,182)
Consultancy costs		(12,739)	(130,967)
Other expenses		(591,524)	(832,754)
Impairment of inventory		-	-
Impairment of receivables		(1,929,517)	(25,279)
Change in fair value of convertible notes		(3,296)	-
Finance costs		(448,126)	(388,774)
<b>Loss before income tax</b>		<b>(3,040,461)</b>	<b>(1,766,125)</b>
Income tax (expense) / benefit		155,114	43,654
<b>Loss for the year after tax</b>		<b>(2,885,347)</b>	<b>(1,722,471)</b>
Other comprehensive (loss) / income, net of tax		(352,404)	20,581
<b>Total comprehensive loss for the year</b>		<b>(3,237,751)</b>	<b>(1,701,891)</b>

This statement should be read in conjunction with the notes to the financial statements.

# Aggregated Statement of Financial Position

As at

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		647,036	835,085
Trade and other receivables		2,438,932	3,091,899
Inventories		1,518,115	1,386,861
Other current assets		348,447	275,778
Contract assets		441,059	77,323
Income tax receivable		525,904	627,963
<b>Total current assets</b>		<b>5,919,493</b>	<b>6,294,909</b>
<b>Non-current</b>			
Trade and other receivables		430,732	2,310,110
Financial assets		67,938	67,938
Deferred tax assets		690,332	535,218
Plant & Equipment	6	1,078,781	893,835
<b>Total non-current assets</b>		<b>2,267,783</b>	<b>3,807,101</b>
<b>Total assets</b>		<b>8,187,276</b>	<b>10,102,010</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables		3,869,948	3,272,822
Borrowings	7	7,164,980	5,196,232
Provisions	8	1,144,311	1,142,336
Lease liabilities	9	325,265	373,785
<b>Total current liabilities</b>		<b>12,504,504</b>	<b>9,985,175</b>
<b>Non-current</b>			
Trade and other payables		810,681	1,048,359
Borrowings	7	1,407,600	2,401,651
Provisions	8	28,725	-
Lease liabilities	9	322,900	480,851
<b>Total non-current liabilities</b>		<b>2,569,906</b>	<b>3,930,861</b>
<b>Total liabilities</b>		<b>15,074,410</b>	<b>13,916,036</b>
<b>Net assets</b>		<b>(6,887,134)</b>	<b>(3,814,026)</b>
<b>Equity</b>			
Issued Capital	10	1,887,455	2,054,753
Retained Earnings		(8,251,993)	(5,698,587)
Foreign Currency Translation Reserve		(522,596)	(170,192)
<b>Total equity</b>		<b>(6,887,134)</b>	<b>(3,814,026)</b>

This statement should be read in conjunction with the notes to the financial statements.

# Aggregated Statement of Changes in Equity

For the period ended

	Share capital \$	Retained earnings \$	Foreign Currency Translation reserve \$	Total equity \$
<b>At July 1, 2019</b>	<b>2,018,870</b>	<b>(554,141)</b>	<b>45,841</b>	<b>1,510,570</b>
Loss for the period	-	(1,684,014)	-	(1,684,014)
Other comprehensive loss	-	-	20,581	20,581
Total comprehensive loss	-	(1,684,014)	20,581	(1,663,433)
Foreign exchange movement in equity	26,864	(42,621)	-	(15,758)
<b>At December 31, 2019</b>	<b>2,045,734</b>	<b>(2,280,776)</b>	<b>66,422</b>	<b>(168,621)</b>
<b>At July 1, 2020</b>	<b>2,054,753</b>	<b>(5,698,587)</b>	<b>(170,192)</b>	<b>(3,814,026)</b>
Loss for the period	-	(2,885,347)	-	(2,885,347)
Other comprehensive loss	-	-	(352,404)	(352,404)
Total comprehensive loss	-	(2,885,347)	(352,404)	(3,237,751)
Foreign exchange movement in equity	(167,298)	331,941	-	164,643
<b>At December 31, 2020</b>	<b>1,887,455</b>	<b>(8,251,993)</b>	<b>(522,596)</b>	<b>(6,887,134)</b>

This statement should be read in conjunction with the notes to the financial statements.

# Aggregated Statement of Cash Flows

For the half year ended 31 December

	2020	2019
	\$	\$
<b>Operating activities</b>		
Receipts from customers	4,704,378	4,545,573
Payments to suppliers and employees	(5,923,170)	(5,595,512)
Income taxes received	479,198	221,191
Interest received	133,529	130,816
Finance costs	(48,524)	(99,916)
<b>Net cash used in operating activities</b>	<b>(654,589)</b>	<b>(797,848)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(452,551)	(7,645)
Movement in term deposits	-	(8,911)
<b>Net cash used in investing activities</b>	<b>(452,551)</b>	<b>(16,557)</b>
<b>Financing activities</b>		
Proceeds from convertible notes net of issue costs	950,000	1,881,000
Advances from shareholder	-	(63,911)
<b>Net cash from financing activities</b>	<b>950,000</b>	<b>1,817,089</b>
<b>Net change in cash and cash equivalents</b>	<b>(157,140)</b>	<b>1,002,684</b>
Cash and cash equivalents, beginning of year	265,997	247,742
<b>Cash and cash equivalents, end of year</b>	<b>108,857</b>	<b>1,250,426</b>

This statement should be read in conjunction with the notes to the financial statements.

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# Notes to the Consolidated Financial Statements

## 1 General information and basis of preparation

### Basis of preparation

The Responsible Body have prepared the condensed interim financial statements of the Aggregated Group for the half year ended 31 December 2020 for the purposes of listing on the Australian Securities Exchange. The Aggregated Group is not a Consolidated Group as there is no direct ownership between the aggregated entities.

The Aggregated Group consists of the following entities:

- EP & T Pty Limited (ABN 87 060 381 142)
- EP & T Global Limited (UK)
- EP & T Global Limited (HK)
- EP & T FZ LLC (Dubai)

The aggregation has been performed as described in the accounting policies below.

These general purpose interim financial statements have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the aggregated group financial statements for the year ended 30 June 2020.

EP&T Pty Limited and its Aggregated Companies are a for-profit group for the purpose of preparing the interim financial statements.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

The aggregated interim financial statements have been approved and authorised for issue by the Directors on xx March 2021.

## 2 New or Revised Standards or Interpretations

Accounting pronouncements which have become effective from 1 July 2020 and have therefore been adopted do not have a significant impact on the Aggregated Group's financial results or position.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Aggregated Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Aggregated Group's financial statements.

## 3 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the aggregated Group's last annual financial statements for the year ended 30 June 2020.



## 4 Going concern

The Aggregated Group has incurred a loss after tax for the half year ended December 2020 of \$2,885,347 (half year 2019: loss of \$1,722,471) had net operating cash outflows of \$654,589 (2019: outflow of \$797,848) and as at 31 December 2020, current liabilities exceeded current assets by \$6,585,011 (June 2020: deficiency of \$3,690,266). As at 31 December 2020 the Aggregated Group has net liabilities of \$6,887,134 (30 Jun 2020 net liabilities: \$3,814,026).

The Responsible Body has reviewed their future cash flow requirements and note that the Aggregated Group has issued Convertible Notes with the following maturity profiles. On maturity, the notes plus any accrued interest are required to be redeemed in cash, unless they have been converted into equity prior to their maturity dates:

Month	Face Value of Notes Maturing
May 2021	\$150,000
June 2021	\$3,350,000
July 2021	\$500,000
September 2021	\$82,000
October 2021	\$179,000
December 2021	\$1,250,000
May 2022	\$320,000
June 2022	\$25,000
After 1 July 2022	\$1,100,000

The Aggregated Group does not currently have sufficient cash reserves to fund the cash redemption of the Convertible Notes which mature within the period of 12 months from the date of signing this report, provided they have not been converted into equity prior to their maturity dates.

The notes automatically convert into equity in the event of an Initial Public Offering, Reverse Take Over or trade sale of the Aggregated Group (a Conversion Event). Management is actively pursuing completion of a Conversion Event prior to the maturity date of the Convertible Notes, however, in the absence of a Conversion Event within this timeframe then the Aggregated Group will need to achieve one of the following outcomes:

- Negotiate an extension to the maturity date of the Convertible Notes with the note holders.
- Raise external funding sufficient to repay the face value plus accrued interest on maturity.

During the half year ended December 2020, the Aggregated Group raised \$950,000 (net of costs) of convertible notes from external investors. Subsequent to the end of the half year to December 2020 EP & T Global Limited (HK) has received a 5 year term bank loan for the equivalent to \$580,000 with an annual interest rate of 2.75%. The Aggregated Group is continuing to seek new capital through the issuance of further convertible notes to fund project installation costs and operating cash requirements. However the ability to satisfy these cash flow requirements is dependent on the Aggregated Group being able to generate positive cash flow through one or a combination of the following:

- Continued support from the ultimate beneficial shareholder.
- Raise new debt or equity capital.
- Deriving revenue through new projects and recurring services.
- Adjusting costs structures to a level which can be supported by existing contracted annuity revenue streams.

The Responsible Body are continually reviewing cost structures in its operating aggregated entities and making the appropriate changes to maximise their cash flow and profitability. While the Aggregated Group experienced growth in its contracted projects base during the half year ended December 2020, the rate at which this growth can be continued has to be balanced against the additional working capital demands selling and installing new

projects place on the Aggregated Group. Installation of new projects awarded to the Aggregated Group during the half year ended December 2020 was impacted by COVID-19 restrictions which limited access to client sites. This in turn has delayed commencement of billing and subsequent cash receipt from customers. The Responsible Body believes that in the absence of available working capital to execute new projects and grow revenues, the cost base of the Aggregated Group is flexible enough to be aligned with the current contracted recurring revenue base and therefore enable operations to be self-funded on an ongoing basis.

As a result of the above matters, there is material uncertainty as to whether the Aggregated Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business at the amounts stated in the financial report.

Notwithstanding the above, the Responsible Body are confident they will be successful in one of or a combination of the above factors and on this basis the financial report has been prepared on a going concern basis. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts and of liabilities that might be necessary should the Aggregated Group not continue as a going concern.

## 5 Significant events and transactions

The financial position and performance of the Aggregated Group was not impacted by any significant events and transactions during the six months to 31 December 2020.

The operations of the Aggregated Group are not seasonal or cyclical in nature.

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## 6 Property, plant and equipment

Details of the Aggregated Group's plant and equipment and their carrying amount are as follows:

	Office	Leasehold Improvements	IT equipment	Other equipment	Right-of- use asset	Project equipment	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>							
Balance 1 July 2019	373,424	367,944	720,873	129,741	1,181,837	-	2,773,819
Additions	4,864	-	2,781	-	-	-	7,645
Effect of movements in exchange rates	658	(394)	(137)	-	14,636	-	14,763
Balance 31 December 2019	378,946	367,550	723,517	129,741	1,196,473	-	2,796,227
<b>Depreciation and impairment</b>							
Balance 1 July 2019	(357,217)	(299,093)	(647,367)	(129,741)	-	-	(1,433,418)
Depreciation	(5,433)	(36,195)	(17,359)	-	(210,875)	-	(269,862)
Effect of movements in exchange rates	629	(320)	(123)	-	-	-	186
Balance 31 December 2019	(362,020)	(335,608)	(664,850)	(129,741)	(210,875)	-	(1,703,094)
<b>Carrying amount 31 December 2019</b>	<b>16,926</b>	<b>31,942</b>	<b>58,667</b>	<b>-</b>	<b>985,598</b>	<b>-</b>	<b>1,093,133</b>
<b>Gross carrying amount</b>							
Balance 1 July 2020	378,802	367,945	723,652	129,741	1,240,335	-	2,840,475
Additions	5,088	-	10,298	-	-	437,165	452,551
Effect of movements in exchange rates	(33,881)	34,253	(1,741)	-	(6,512)	-	(7,881)
Balance 31 December 2020	350,009	402,198	732,209	129,741	1,233,823	437,165	3,285,145
<b>Depreciation and impairment</b>							
Balance 1 July 2020	(362,517)	(350,598)	(672,669)	(129,741)	(431,115)	-	(1,946,640)
Depreciation	(3,865)	(2,131)	(13,724)	-	(214,553)	(18,928)	(253,201)
Effect of movements in exchange rates	38,809	(40,018)	(5,314)	-	-	-	(6,523)
Balance 31 December 2020	(327,573)	(392,747)	(691,707)	(129,741)	(645,668)	(18,928)	(2,206,364)
<b>Carrying amount 31 December 2020</b>	<b>22,436</b>	<b>9,451</b>	<b>40,502</b>	<b>-</b>	<b>588,155</b>	<b>418,237</b>	<b>1,078,781</b>

All depreciation and impairment charges are included within depreciation expense.

## 7 Borrowings

	31 Dec 2020	30 Jun 2020
	\$	\$
<b>Current</b>		
Bank overdraft	538,179	569,088
Convertible notes - current	3,853,924	2,613,089
Embedded derivative at FVPL	2,826,643	2,049,516
Convertible note issue costs	(53,766)	(35,461)
<b>Total current borrowings</b>	<b>7,164,980</b>	<b>5,196,232</b>
<b>Non-current</b>		
Convertible notes	145,896	1,285,783
Embedded derivative at FVPL	1,300,350	1,175,149
Convertible note issue costs	(38,646)	(59,281)
<b>Total non-current borrowings</b>	<b>1,407,600</b>	<b>2,401,651</b>

### *Borrowings at amortised cost*

The interest rate on bank overdraft is 4.6% per annum. The carrying amount of the bank overdraft is considered to be a reasonable approximation of the fair value.

The terms of the notes are as follows:

Redemption	24 months unless converted earlier
Conversion	Forced conversion to ordinary shares in case of a liquidity event within 24 months of issuance
Liquidity event	IPO, Reverse Take Over (RTO) or trade sale
Interest rate	10% p.a. compounded daily from date of issue
Interest capitalisation	Noteholders can elect to capitalise the interest
Offer price	Price of ordinary share - under prospectus for IPO/RTO - offered by the purchaser in a trade sale
Conversion price	Tranche 1 – Face Value of \$2,000,000 - 55% of the offer price Tranche 2 - Face Value of \$3,511,000 - 70% of the offer price Tranche 3 – Face Value of \$1,445,000 - 50% of the offer price
Conversion price (interest)	100% of the offer price

The convertible notes are issued with a 24 month maturity date, however, certain notes with maturity dates prior to 30 June 2021 have had their maturity dates extended. The current schedule of Notes on issue is listed below along with the revised maturity dates as at the date of this report:

<b>Month</b>	<b>Face Value of Notes Maturing</b>
May 2021	\$150,000
June 2021	\$3,350,000
July 2021	\$500,000
September 2021	\$82,000
October 2021	\$179,000
December 2021	\$1,250,000
May 2022	\$320,000
June 2022	\$25,000
After 1 July 2022	\$1,100,000

#### ***Borrowings at FVPL***

The embedded derivative at FVPL is the fair value of the conversion feature of the notes. There has been no movement in the fair value of the embedded derivative from issue to balance date and hence no fair value movement has been recorded in the income statement at period-end.

The estimated fair value of the embedded derivative is categorised within Level 2 of the fair value hierarchy. The change in fair value estimate has been determined by company management at \$3,296, estimated using a present value technique, the Probability Weighted Expected Returns Method.

## 8 Provisions

The carrying amounts and movements in the provisions account are as follows:

	Annual Leave \$	Long Service Leave \$	End of Service Gratuity \$	Total \$
<b>Carrying amount 1 July 2019</b>	<b>261,130</b>	<b>251,033</b>	<b>531,050</b>	<b>1,043,213</b>
Amount accrued	210,165	11,792	38,457	259,117
Amount utilised	(248,210)	(26,877)	-	(274,632)
Amount reversed	-	(19,271)	-	(19,271)
<b>Carrying amount 31 December 2019</b>	<b>223,085</b>	<b>216,677</b>	<b>569,507</b>	<b>1,009,269</b>
<b>Carrying amount 1 July 2020</b>	<b>304,415</b>	<b>216,741</b>	<b>621,180</b>	<b>1,142,336</b>
Amount accrued	215,825	55,057	(44,398)	226,484
Amount utilised	(179,410)	(9,353)	-	(188,763)
Amount reversed	-	-	(7,021)	(7,021)
<b>Carrying amount 31 December 2020</b>	<b>340,830</b>	<b>262,445</b>	<b>569,761</b>	<b>1,173,036</b>

Total provisions split between current and non-current:

	31 Dec 2020 \$	30 Jun 2020 \$
Current provisions	1,144,311	1,142,336
Non-current Provisions	28,725	-
<b>Total provisions</b>	<b>1,173,036</b>	<b>1,142,336</b>

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## 9 Lease Liabilities

	31 Dec 2020	30 Jun 2020
	\$	\$
Current lease liabilities	325,265	373,785
Non-current lease liabilities	322,900	480,851
<b>Total lease liabilities</b>	<b>648,165</b>	<b>854,636</b>

Future minimum lease payments at 31 December 2020 are as follows:

	Within one year	One to two years	Two to three years	Total
	\$	\$	\$	\$
<b>31 December 2020</b>				
Lease payments	372,464	338,039	-	710,503
Finance charges	(47,199)	(15,139)	-	(62,338)
<b>Net present values</b>	<b>325,265</b>	<b>322,900</b>	-	<b>648,165</b>
<b>30 June 2020</b>				
Lease payments	438,443	355,703	160,271	954,418
Finance charges	(64,658)	(31,709)	(3,414)	(99,782)
<b>Net present values</b>	<b>373,785</b>	<b>323,994</b>	<b>156,858</b>	<b>854,636</b>

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## 10 Equity

### Issued capital

The share capital of the Aggregated Group consists only of fully paid ordinary shares in each aggregated entity; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of each of the entities.

	31 Dec 2020	30 Jun 2020
	Shares	Shares
<b>Shares issued and fully paid:</b>		
EP & T Pty Limited	5,000	5,000
EP & T Global Limited (UK)	325,000	325,000
EP & T Global Limited (HK)	7,175,000	7,175,000
EP & T FZ LLC (Dubai)	300	300
<b>Total contributed equity as at</b>	<b>7,505,300</b>	<b>7,505,300</b>

	31 Dec 2020	30 Jun 2020
	\$	\$
<b>Shares issued and fully paid:</b>		
Beginning of the period	2,054,753	2,018,870
Foreign exchange movement	(167,298)	35,883
<b>Total contributed equity as at</b>	<b>1,887,455</b>	<b>2,054,753</b>

The movements above are due to the changes in the foreign exchange spot rate at balance date to which issued capital is converted to AUD for the purposes of the aggregation.

### Capital Management

The Aggregated Group does not have a limited amount of authorised capital and issued shares do not have a par value. Management controls the capital of the Aggregated Group in order provide the shareholders with adequate returns and ensure that the Aggregated Group can fund its operations and continue as a going concern. There are no externally imposed capital requirements. Management effectively manages the Aggregated Group's capital by assessing the Aggregated Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

### Foreign currency translation reserve

Comprises foreign currency translation differences arising on the translation of financial statements of the Aggregated Group's foreign entities into \$AUD.

## 11 Dividends

No dividends were paid or declared in the half year ended 31 December 2020 (2019: none).



## 12 Financial assets and liabilities

### Categories of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Amortised cost 31 Dec 2020 \$	Total 31 Dec 2020 \$
<b>Financial assets</b>		
Cash and cash equivalents	647,036	647,036
Trade and other receivables	2,869,664	2,869,664
<b>Total financial assets</b>	<b>3,516,700</b>	<b>3,516,700</b>

	Borrowings at FVPL 31 Dec 2020 \$	Other liabilities Amortised cost 31 Dec 2020 \$	Total 31 Dec 2020 \$
<b>Financial liabilities</b>			
Trade and other payables	-	4,680,629	4,680,629
Current borrowings	2,826,643	4,392,103	7,218,746
Non-current borrowings	1,300,350	145,896	1,446,246
<b>Total financial liabilities</b>	<b>4,126,993</b>	<b>9,218,628</b>	<b>13,345,621</b>

The financial instrument classifications in the prior period are as follows:

	Amortised cost 30 June 2020 \$	Total 20 June 2020 \$
<b>Financial assets</b>		
Cash and cash equivalents	835,085	835,085
Trade and other receivables	5,402,009	5,402,009
<b>Total financial assets</b>	<b>6,237,094</b>	<b>6,237,094</b>

	Borrowings at FVPL	Other liabilities Amortised cost	Total
	30 Jun 2020	30 Jun 2020	30 Jun 2020
	\$	\$	\$
<b>Financial liabilities</b>			
Trade and other payables	-	4,321,181	4,321,181
Current borrowings	2,049,516	3,182,177	5,231,693
Non-current borrowings	1,175,149	1,285,783	2,460,932
<b>Total financial liabilities</b>	<b>3,224,665</b>	<b>8,789,141</b>	<b>12,013,806</b>

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## 13 Operating segments

### Identification of reportable operating segments

The Aggregated Group has identified its operating segments based on the internal reports that are reviewed and used by the Board (the chief operating decision maker ('CODM')) in assessing performance and determining the allocation of resources.

Segment information is reported to the CODM on the basis of the product/service delivered. The Aggregated Group's products and services are the same within both geographical segments.

The information reported to the CODM is on a monthly basis.

### Major customers

There are no significant customers in any reported segment that comprise greater than 10% of the segments aggregated revenues.

The aggregated Group has identified its operating segments based on the markets they serve.

<b>For the half year ended 31 December</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Australia	2,193,770	2,524,663
United Kingdom	955,212	963,714
Hong Kong	148,810	197,758
Middle East	516,655	433,930
Eliminate inter-aggregated group transactions	(591,329)	(616,638)
	<b>3,223,118</b>	<b>3,503,427</b>
<b>Segment net operating profit / (loss) before tax</b>		
Australia	(1,327,897)	(980,701)
United Kingdom	248,328	(119,435)
Hong Kong	(281,710)	(381,913)
Middle East	(1,679,182)	(284,077)
	<b>(3,040,461)</b>	<b>(1,766,125)</b>
<b>As at</b>		
	<b>Dec 2020</b>	<b>Jun 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>		
Australia	9,242,836	8,955,949
United Kingdom	2,607,069	2,281,605
Hong Kong	184,927	260,994
Middle East	2,773,981	4,588,165
Eliminate inter-aggregated group balances	(6,621,537)	(5,984,703)
	<b>8,187,276</b>	<b>10,102,010</b>
<b>Segment liabilities</b>		
Australia	11,177,346	9,736,707
United Kingdom	3,506,979	3,440,279
Hong Kong	1,969,476	1,963,428
Middle East	4,481,337	4,615,069
Eliminate inter-aggregated group balances	(6,060,728)	(5,839,447)
	<b>15,074,410</b>	<b>13,916,036</b>

## 14 Contingent liabilities

The Aggregated Group has contingent liabilities of \$67,938 as at 31 December 2019 relating to bank guarantees held on property leases (2019: \$67,938).

<b>Nature of liability</b>	<b>Beneficiary</b>	<b>Amount</b>	<b>Expiry Dates</b>
Financial Guarantee	Bellpen Pty Limited	A\$67,938	General Bank Guarantee

Other property lease guarantees have been paid as deposits for Dubai, HK and UK premises to the amount of \$54,896 (2019: \$63,022).

To date there have been no instances of energy savings guaranteed to customers not being met and accordingly no claims for payment by any customers have been received. In the view of the directors, the possibility of any amounts disclosed above becoming probable and hence, actual liabilities, is considered to be remote.

## 15 Events after the reporting date

In January 2021 EP & T Global Limited (HK) received a 5 year term bank loan for the equivalent to \$580,000 with an annual interest rate of 2.75%. The loan is secured with a personal guarantee given by the sole Director of EP & T Global Limited (HK).

During the course of January 2021 and February 2021, 100% of the shareholdings in the following Aggregated Group entities were transferred to an entity controlled by Kirthi Gunaratne, EP&T Global Limited (ABN 645 144 314):

- EP & T Pty Limited (ABN 87 060 381 142)
- EP & T Global Limited (UK)
- EP & T Global Limited (HK)

At the date of this report, it is intended that 100% of the shareholding of EP & T FZ LLC (Dubai) will also be transferred to EP&T Global Limited (ABN 645 144 314) in due course.

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 Aggregated Group, the results of those operations, or the state of affairs of the Aggregated Group in future financial years.

## 16 Company details

The registered office and principal place of business of the aggregated entities are:

EP & T Pty Limited (ABN 87 060 381 142)  
Suite 2, 407 Pacific Highway  
Artarmon NSW 2064

EP & T Global Limited (UK)  
84 Kingsway, Holborn  
London WC2B 6AE, UK

EP & T Global Limited (HK)  
11/F, Tower 2 Lippo Centre  
89 Queensway, Admiralty, Hong Kong

EP & T FZ LLC (Dubai)  
Unit 1006, Al Thuraya Tower 1  
Dubai Media City

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## Director's Declaration

- 1 In the opinion of the Responsible Body:
- a The Aggregated Group interim financial statements and notes:
    - i Giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
    - ii Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*; and
  - b There are reasonable grounds to believe that the Aggregated Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Director  
Kirthi Gunaratne



Dated the 17th day of March 2020

# Independent Auditor's Review Report

To the Members of EP & T Pty Limited

Report on the review of the half year financial report

## Conclusion

We have reviewed the accompanying half year financial report of EP & T Pty Limited (the Company) and its aggregated companies (the Aggregated Group), which comprises the aggregated statement of financial position as at 31 December 2020, and the aggregated statement of profit or loss and other comprehensive income, aggregated statement of changes in equity and aggregated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half year financial report of EP & T Pty Limited does not give a true and fair view of the Aggregated Group's financial position as at 31 December 2020 and of its performance and cash flows for the half-year ended on that date in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* to the extent described in Note 1.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## Material uncertainty related to going concern

We draw attention to Note 4 in the financial report, which indicates that the Aggregated Group incurred a net loss of \$2,885,347 during the half year ended 31 December 2020 and, as of that date, the Aggregated Group's current liabilities exceeded its current assets by \$6,585,011. As stated in Note 4, these events or conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Aggregated Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not giving a true and fair view of the Aggregated Group's financial position as at 31 December 2020 and its performance and cash flows for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* to the extent described in Note 1.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd  
Chartered Accountants



P J Woodley  
Partner – Audit & Assurance

Sydney, 17 March 2021