INTEGRATED GREEN ENERGY SOLUTIONS LTD

And Controlled Entities

ABN 23 003 669 163

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

TABLE OF CONTENTS

CORPORATE DIRECTORY

DIRECTORS	Paul Dickson (Executive Chairman) Stuart Clark (Managing Director) Bevan Dooley (Executive Director) Kilroy Genia (Non-Executive Director) David McIntosh (Non-Executive Director)
SECRETARY	Joshua Herbertson
REGISTERED OFFICE	Suite 306 781 Pacific Highway Chatswood, NSW, 2067 Ph: (02) 8920 2300
SHARE REGISTER	Boardroom Pty Limited Level 12, 225 George St Sydney, NSW, 2000 Ph: 1300 737 760
AUDITOR	Hall Chadwick Level 40, 2 Park Street Sydney, NSW, 2000 Ph: (02) 9263 2600
SOLICITOR	Thomson Geer Level 25, 1 O'Connell Street Sydney, NSW, 2000
BANKERS	Westpac Bank Limited 275 George Street Sydney, NSW, 2000
STOCK EXCHANGE LISTING	Integrated Green Energy Solutions Ltd shares are listed on the Australian Securities Exchange. ASX Code: IGE
WEBSITE ADDRESS	www.igesolutions.org
CORPORATE GOVERNANCE	A copy of the Company’s Corporate Governance Statement is located on the Company’s website: https://www.igesolutions.org/policies/

DIRECTORS' REPORT

The Directors present their report together with the financial report of the consolidated entity consisting of Integrated Green Energy Solutions Ltd and the entities it controlled, for the financial year ended 30 June 2019 and Auditor's Report thereon.

Directors

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

Name of Director	Appointed	Status
Paul Dickson	23/10/2014	Current
Bevan Dooley	23/10/2014	Current
David McIntosh	15/12/2014	Current
Kilroy Genia	21/1/2015	Current
Stuart Clark	25/8/2016	Current

Information on Directors

Name:	Paul Dickson
Title:	Executive Chairman
Qualifications:	B.Com, MchMan
Experience and Expertise:	Mr Dickson has a proven track record of success spanning in excess of 25 years through a blend of taking innovative and creative concepts and molding them into sustainable and highly valued assets. He has held multifunctional senior roles across the complete spectrum of disciplines including finance, logistics, operations, sales, marketing, business development, product development through to launch, systems and general management. Mr Dickson has a proven track record both in Australia and overseas having lived in Asia for more than six years while delivering results in a sophisticated multicultural business community. Mr Dickson is a visionary who has successfully taken an embryonic vision and nurtured it from a start-up business into a thriving and profitable going concern in a market dominated by strong global competitors. His leadership has displayed the ability to take complex challenges and break these into driven objectives while having a keen awareness of the need for risk mitigation for key stakeholders. Delivering financial results while honouring the community needs has been learned from experience across a broad field of global operating environments. Mr Dickson formal qualifications include a Bachelor of Commerce in Accounting and Finance from the University of NSW and holds a Master of Transport Management from Sydney University.
Current Directorships	None
Special Responsibilities	Member of the Audit and Risk Committee and member of the Remuneration and Nomination Committee
Interest in Shares & Options	Indirect 118,608,250 Ordinary Shares and 82,421,139 Unlisted Options

DIRECTORS' REPORT (CONTINUED)

Information on Directors (continued)

Name: Title: Qualifications: Experience and Expertise: Current Directorships Special Responsibilities Interest in Shares & Options	Bevan Dooley Executive Director BE (Hons) Mech. Mr Dooley brings to IGES 20 years of experience in the energy, fuel and chemical processing industries. Mr Dooley has a solid engineering and management background that leads to a deep understanding of processing techniques for energy conversion, as well as the energy and fuels market in Australia and Asia. In 2001 Mr Dooley cc-founded Australian Biodiesel Group Ltd, an entity that listed on ASX in 2005. Mr Dooley held various roles with Australian Biodiesel Group Ltd, including technical director, Chief Executive Officer and Director. Since 2009 Mr Dooley has held board positions on proprieties companies commercializing fuel and energy technologies. Mr Dooley has been integral in the design, construction, commissioning and ongoing management of many energy, fuel and chemical processing facilities in Australia and around the world. Mr Dooley and his team have developed the core technologies within the IGE group, the entity with which IGES has signed its term sheet. Solid Energy Technologies Pty Ltd None Indirect 14,183,367 Ordinary Shares and 10,416,033 Unlisted Options
Name: Title: Qualifications: Experience and Expertise: Current Directorships Special Responsibilities Interest in Shares & Options	David McIntosh Non-Executive Director MCom (Accounting), BE (Chemical), GradDipCA Mr McIntosh provides accounting services including audit, business structure, planning and taxation advice to a range of small businesses and entrepreneurs. He has interests in multiple accounting practices and has bought and sold packages of accounting fees. He is focused on the boutique market and is a Chartered Accountant and the holder of a Certificate of Public Practice. His qualifications include being a Registered Auditor (Superfunds), Tax Agent, and an ASIC Agent. Prior to moving into finance David gained exposure in the area of chemical engineering through his work with Shell Oil Company and Environment Australia. None Chairman of the Audit and Risk Committee and Chairman of the Remuneration and Nomination Committee Indirect 3,287,056 Ordinary Shares, 1,644,311 Unlisted Options

DIRECTORS' REPORT (CONTINUED)

Information on Directors (continued)

Name: Title: Qualifications: Experience and Expertise:	Kilroy Genia Non-Executive Director Dip. Land Management and Administration, Grad Dip. Social Ecology Mr Genia has broad experience in both private and government enterprises having spent nine year holding various Ministerial positions within the PNG cabinet, including Minister of Justice, Defense, Foreign Affairs and Trade.
Current Directorships Special Responsibilities Interest in Shares & Options	None Member of the Audit and Risk Committee and member of the Remuneration and Nomination Committee 100,000 Ordinary Shares, 100,000 Unlisted Options
Name: Title: Qualifications: Experience and Expertise:	Stuart Clark Managing Director Qualifications: B.Com (Accounting), GradDipCA, GAICD. Stuart Clark is an experienced manager and business leader, with a career spanning over thirty years. Before joining IGE Solutions as managing director in 2016, he held senior roles with publicly listed companies and international conglomerates, ranging from Global Television and Hoyts to Carlson Companies and the Walt Disney Company. Stuart has extensive experience with both start-ups and larger organisations. He played a key role in establishing Nudie Foods and McElroy All Media, where he held senior finance roles. More recently he served as Finance Director and Company Secretary for ComOps Limited and Chief Operating Officer for Dickson & Dickson Healthcare Limited. He brings strong operational and strategic skills to IGE Solutions, with a wide range of experience from finance and change management to sales and human resources. Stuart holds a Bachelor of Commerce from the University of New South Wales. He became a member of the Institute of Chartered Accountants whilst working with PriceWaterhouseCooper in Scotland and Australia. Stuart also holds Graduate status with the Australian Institute of Company Directors. Stuart was raised at Bondi Beach in the eastern suburbs of Sydney. He has always enjoyed the ocean and water sports. His children have also been raised by the beach and share his love of the water. A big part of Stuart's life now is protecting our beautiful oceans through his work at IGE.
Current Directorships Special Responsibilities Interest in Shares & Options	None Managing Director Indirect 2,202,617 Ordinary Shares

Company Secretary

Mr Herbertson has 10 years' experience in financial management, chiefly in the professional service industry. Working in a range of finance and operations roles for both publicly listed and private companies, he has been involved in ASX listings, mergers and acquisitions, corporate restructuring and financial due diligence, in addition to responsibilities as Chief Financial Officer.

DIRECTORS' REPORT (CONTINUED)

Principal Activities.

The principal activities of the consolidated entity during the financial year consisted of the construction of the Amsterdam Plastics to Fuel (PTF) facility and the continuing rollout of the WPTF technology in accordance with the Company's global strategy.

Review of Operations and Financial Results

Funding and Sites Currently Under Development

Since listing in January 2018, IGES has progressed 20 sites under its 7x7x7 Global Strategy previously communicated to shareholders. These sites are in various stages of development on these projects. Significant milestones have previously been announced on specific sites.

The table below represents a summary of the current projects under development by the Company.

Site #	Country	City	Volume Tonnes per Day (TPD) Start-up	Notes
1	Netherlands	Amsterdam	100	Currently under construction, operations due to commence end 2019
2	Thailand	Prachinburi	200	Approval to operate facility received from Thai authorities, design process underway
3	UK	Northampton	200	Approval to operate facility received from UK authorities, design process underway
4	Hong Kong	EcoPark	200	Approval for site received from Hong Kong authorities, design process underway
5	UK	Grimsby	200	Deposit placed on site, approvals and design process underway
6	China	Shandong	200	JV entered into with publicly listed waste company Beautiful China, approvals process underway
7	USA	Camden	1500	JV entered into with GEP Fuel and Energy, Indiana, who will provide feedstock.
8	UK	Connah's Quay	200	Site selected, sale conditional on receiving approvals
9	Spain	Murcia	200	Term sheet entered into with local partner
10	Spain	Almeria	200	Term sheet entered into with local partner
11	Indonesia	West Java	200	Term sheet entered into with local partner
12	Philippines	Valenzuela	200	Term sheet entered into with local partner
13	Belgium	Ghent	200	Discussions being held with local Port Authority and potential feedstock providers, in addition to the Government of Flanders through the Flanders Investment & Trade organisation.
14	USA	Tri-State	200	Local partner and feedstock provider selected, agreement to be executed shortly.
15	UK	Billingham	200	Local partner and feedstock provider selected, agreement to be executed shortly.
16	India	Indore	200	Local partner and feedstock provider selected, agreement to be executed shortly.
17	India	Bhopal	200	Local partner and feedstock provider selected, agreement to be executed shortly.
18	Malaysia	Balok	200	Local partner and feedstock provider selected,

Site #	Country	City	Volume Tonnes per Day (TPD) Start-up	Notes
				agreement to be executed shortly.
19	Germany	Thuringia	200	Local feedstock provider selected
20	Germany	Bavaria	200	Local feedstock provider selected

This global business strategy will require a capital investment in the vicinity of $1.5 billion to $2 billion. Whilst IGES has access to funding through both Structured Growth Capital Inc (for a loan facility of US$90 million) and Rabobank (€18 million loan facility specifically tied to operations), to complete the full list of projects, the Company will require additional funding via debt, equity, internal cashflows or a combination of those options. IGES has been in discussions with multiple parties in relation to these additional funding requirements. Subject to the finalisation of these negotiations, all necessary announcements will be made to the ASX.

Further details on some of these sites that have been previously announced to the market are set out below.

Amsterdam Project

Construction

The construction of the 100 tonne per day ("TPD") Amsterdam facility continues to progress. As communicated in previous market announcements, all piling, foundations and concrete pours for the production facility have been completed. The first module has been completed and is now installed on site. The second 50 tonnes per day module has arrived in Amsterdam and is scheduled to be installed in line with the project plan that will see production in late November 2019. Front end processing equipment is ready for installation on site.

The access roads for trucks are now being prepared. These new roads are essential for operations and will also assist during the finalisation of the construction phase. As the project continues towards the operations stage, the Company is working closely with the Amsterdam Competent Authority to ensure all policies and procedures meet the requirements and that it meets CE Mark certification.

In line with this, recruitment of operational staff is now progressing. The site office is being expanded to accommodate these new recruits and in preparation for the commencement of operations.

Delivery dates with builders and major suppliers are being locked in to meet the target of producing the first fuel in late November 2019. As part of this first phase of production, IGES anticipates producing 5,000 litres of fuel. The second phase will focus on refinements coming out of phase one and reporting on all testing results to the relevant authorities before the selling of fuel commences.

Phase three will consist of the ramp up to 100TPD production, will full scale operations beginning in early March 2020.

Award

The IGES-Port of Amsterdam was announced the winner in the Climate and Energy category at the main gala dinner of the recent IAPH 2019 World Ports Conference held in Guangzhou, China.

Winning this international award serves as an objective endorsement that IGES's solution has a positive impact to the environment and greater community. This will allow the Company to improve its negotiating position to form strategic alliances and collaborative partnerships globally with respect

Review of Operations and Financial Results (continued)

to ports, government authorities, businesses and environmental agencies. In addition, the increased exposure provided by this success raises the profile of the Company.

in a key area of infrastructure – international ports. The sites selected by IGES in Amsterdam and Grimsby are both examples of locations that provide a strategic advantage with their existing infrastructure, logistics, pre-existing approvals and proximity to potential customers. The increased exposure from this award will assist in further penetration into the market of international ports.

United Kingdom

Northampton

IGES has selected a site in Northampton, United Kingdom, to construct and operate a 200TPD plastics to fuel facility. On 14 June 2019 the Company announced that the final Environment Agency ("EA") Permit for the Northampton site had been received, providing IGES full environmental and development permission to construct and operate a 200TPD plastics to fuel facility at Northampton that will produce 70 million litres per annum of road ready diesel (EN590 compliant) and petrol (EN228 compliant).

This is an ideal site to lead the Company's UK rollout, with:

- Power to 4.5MW in addition to existing water, roads, security;
- Nearby waste sites nearby who have committed to supply sufficient feedstock;
- Arterial roads and motorway infrastructure within 5km; and
- Good size, flat ground and the ideal shape for an IGES facility.

With the EA Permit in place IGES is now finalising the purchase of the Northampton land. This was previously agreed with a term of the land purchase contract being that there must be an associated full and unencumbered EA Permit for the property.

Planning for this facility is already well underway. Now that this final EA permit has been received, IGES will begin the remaining design and begin the construction phase of the facility.

Grimsby

IGES is in the process of acquiring a 6.87-hectare site located in Grimsby, United Kingdom. IGES propose to develop this site into a 200TPD facility. The facility will initially process 200 tonnes per day of waste plastics to fuel. Meetings with local regulators, the planning department and the UK Environmental Agency have been positive to date, and planning for the project is already well progressed, with extensive site investigations having already been undertaken.

The receipt of the EA permit for the Northampton site has provided the Company with a clear path to approval in other United Kingdom territories as well as a specific precedent.

DIRECTORS' REPORT (CONTINUED)

Review of Operations and Financial Results (continued)

Thailand

IGES has executed a term sheet with Infinite Recycling co.,ltd ("IRC"). Under the agreement IRC will be responsible for the supply of plastic feedstock to the 200 TPD plastic to fuel plant and provide full assistance in obtaining governmental approval for the site. This project will see IGES Thailand establishing a 200TPD plastic to fuel processing site, producing 70 million litres of road ready fuel.

The Company has received official confirmation that the Thailand project has been approved by the Thailand Board of Investment ("BOI") for promotion under category 1.16.2 Manufacture of Fuel from Waste.

IGES expects to settle on the land shortly and commence initial site works in the coming months, with extensive planning for the project already completed.

Spain

IGES executed a term sheet with Ecology Management Waste, S.L ("EMW"). The management of this company has over 20 years' experience in waste collection, aggregation and recycling in Spain. The agreement locks in local assistance for IGES in the achievement of government approvals and the supply of 200 TPD of feedstock respectively for two plants. That is, the combined feedstock capacity for the two planned facilities is 400 tonnes per day and therefore, the initial output capacity from the two Spanish plants combined is expected to produce 140 million litres of fuel per annum.

Philippines

IGES has executed a term sheet with Envirotech Waste Recycling Inc ("EWRI"). EWRI was formed in 2010, and since its establishment has partnered with providers of cutting-edge technologies, enterprises and organisations who, like IGES, have devised new and efficient ways of deriving useful substances and energy out of biodegradable and non-biodegradable wastes. They produce 100% recycled plastic products such as benches and stairs made from non-biodegradable waste.

Under the terms of the agreement, EWRI will have a 10% equity stake in the Philippines project and provide all feedstock requirements for the facility. This agreement provides IGES local assistance to achieve government approvals and the supply of 200 TPD of feedstock, enough to produce over 70 million litres of road ready diesel and petrol per annum.

IGES will hold a 90% equity position.

Indonesia

IGES has executed a term sheet with PT Hasya Jaya ("PTHJ"). PTHJ is a Javanese recycling and waste company operating in multiple locations in West Java. Under the terms of the agreement, PTHJ will be providing 200 tpd in feedstock, in addition to being responsible for achieving environmental permits for the site. Once operational, the site will produce over 70 million litres of road ready fuel annually. PTHJ's experience in licensing requirements and contacts throughout the recycling industry will assist IGES to expand throughout Indonesia.

DIRECTORS' REPORT (CONTINUED)

Review of Operations and Financial Results (continued)

IGES is responsible for providing the PTF technology, funding, design, construction and operation of the facility.

PTHJ shall be the Company's exclusive partner for any fuel plant constructed or feedstock supply agreement entered within Java, Sumatra, Kalimantan and Bali. IGES will hold a 90% equity position.

Hong Kong

IGES has entered into an agreement with Hong Kong based recycling company Hong Kong Telford Envirotech Group Limited ("Telford") to construct a 200 TPD facility to be located at Hong Kong EcoPark. IGES will hold a 70% equity stake in the joint venture company with Telford and will control 3 seats of the 5-seat board, in addition to controlling the appointment of all key management personnel.

IGES has appointed international engineering consulting firm Meinhardt who will be assisting the Company as it works with the local government and regulatory bodies to obtain the necessary approvals for the construction of the IGES facility in Hong Kong.

After Balance Date Events

On 8 July 2019, IGES announced the issue of 1,251,200 ordinary shares in satisfaction of $283,745 in loans.

On 16 August 2019, IGES announced it had executed a term sheet with Envirotech Waste Recycling Inc ("EWRI").

Under the terms of the agreement, EWRI will have a 10% equity stake in the Philippines project and provide all feedstock requirements for the facility. This agreement provides IGES local assistance to achieve government approvals and the supply of 200 tonnes per day ("tpd") of feedstock.

IGES is responsible for providing the PTF technology, funding, design, construction and operation of the facility.

Subject to agreement regarding detailed contractual terms by 30 December 2019, IGES will establish an entity in the Philippines ("IGE Philippines") and will take a 90% equity position. EWRI will have a 10% equity stake in consideration for providing reliable feedstock supply and local management assistance. There are no conditions precedent to the term sheet.

On 16 August 2019, IGES announced it had executed a term sheet with PT Hasya Jaya ("PTHJ"). Under the terms of the agreement, PTHJ will be providing 200 tpd in feedstock, in addition to being responsible for achieving environmental permits for the site. Once operational, the site will produce over 70 million litres of road ready fuel annually. PTHJ's experience in licensing requirements and contacts throughout the recycling industry will assist IGES to expand throughout Indonesia.

IGES is responsible for providing the PTF technology, funding, design, construction and operation of the facility.

PTHJ shall be the Company's exclusive partner for any fuel plant constructed or feedstock supply agreement entered within Java, Sumatra, Kalimantan and Bali.

Subject to agreement regarding detailed contractual terms by 30 December 2019, IGES will establish an entity in Indonesia ("IGE Indonesia") and will take a 90% equity position. PTHJ will have a 10% equity position in consideration for providing reliable feedstock supply and local management assistance.

DIRECTORS' REPORT (CONTINUED)

Likely Developments and Expected Results of Operations

Other than the matters outlined in Note 26: After Balance Date Events, information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this annual report because the Directors believe it would likely result in unreasonable prejudice to the consolidated entity.

Environmental Regulation

The Company operates within the energy and fuels sector and conducts its business activities with respect for the environment while continuing to meet the expectations of all stakeholders including shareholders, local communities, employees, customers and suppliers.

The Company aims to ensure that the highest standard of environmental care is achieved and that it complies with all environmental legislation. The Board is not aware of any significant breaches during the financial year.

Dividends Paid Recommended or Declared

No dividends were paid, declared or recommended during the financial year and up to the date of this report.

Insurance of Officers

During the financial year, the Company had in place and paid premiums in respect to insurance policies indemnifying Directors and officers of the Company against certain liabilities incurred in the conduct of the business or in the discharge of their duties as Directors or officers.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or insurance premiums paid in respect to the auditors of the consolidated entity.

Proceedings on behalf of the Company

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 52 of this report.

DIRECTORS' REPORT (CONTINUED)

Non-Audit Services

Non-audit services provided by the auditors of the consolidated entity during the year, Hall Chadwick, are detailed below. The Directors are satisfied that the provision of non-audit services, during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

	Consolidated	
	2019 $	2018 $
Amounts paid or payable to an auditor for non-audit services provided during the year by an auditor to any entity that is part of the consolidated entity for: Amounts received or due and receivable by Hall Chadwick for non-audit services: - Corporate advisory services	-	16,500
	-	16,500

Directors' Meetings

The number of meetings of the Board of Directors held during the financial year and meetings attended by each Director were:

Directors	Directors' Meetings		Remuneration and		Audit and Risk Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Paul Dickson	7	7	3	3	3	3
Stuart Clark	7	7	-	-	-	-
Bevan Dooley	7	7	-	-	-	-
David McIntosh	7	7	3	3	3	3
Kilroy Genia	7	1	3	1	1	1

Remuneration and Nomination Committee

A Remuneration and Nomination Committee was established by the Board during the Financial Year ended 30 June 2016. The Board seeks independent advice as required on current trends and appropriate remuneration structures based on the role to be filled and the Company's operations. The Company did not engage an independent remuneration consultant during the year.

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:
A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Total shareholder return

(A) Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market best practice for delivery of reward.

DIRECTORS' REPORT (CONTINUED)

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The consolidated entity has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution

The Directors determine the allocation of bonuses for senior executives on a discretionary basis. No bonuses were paid during the financial year.

(A) Principles used to determine the nature and amount of remuneration (continued)
Non-executive Directors Fees

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of the Directors.

Non-executive Directors' fees and payments are reviewed annually by the board and payments are appropriate and in line with the market. The Chairman's fees are determined separately to the fees of Non-executive Directors based on comparable roles in the external market.

Executive Remuneration

The executive remuneration and reward framework has four components:

- base pay and benefits
- short-term performance incentives
- share or option issues
- other remuneration such as superannuation and fringe benefits

The combination of these comprise the executive's total remuneration.

DIRECTORS' REPORT (CONTINUED)

(B) Details of Remuneration

	Short Term Benefits		Post Employment Benefits	Share-Based Payments		% of total that consists of shares
30 June 2019	**Salary $**	**Fees & Other $**	**Superannuation $**	**Shares $**	**Total $**	
Non-Executive Directors						
Paul Dickson		420,000		340,000	760,000	44.74%
Bevan Dooley		312,500			312,500	0.00%
David McIntosh	8,333	100,000	792	68,000	177,125	0.00%
Kilroy Genia					-	0.00%
Key Management Personnel					-	
Stuart Clark	50,000	300,000	4,750	340,000	694,750	48.94%
Total	**58,333**	**1,132,500**	**5,542**	**748,000**	**1,944,375**	

	Short Term Benefits		Post Employment Benefits	Share-Based Payments		% of total that consists of shares
30 June 2018	**Salary $**	**Fees & Other $**	**Superannuation $**	**Shares $**	**Total $**	
Non-Executive Directors						
Paul Dickson	-	420,000	-	-	420,000	0.00%
Bevan Dooley	-	150,000	-	-	150,000	0.00%
David McIntosh	-	-	-	-	-	0.00%
Clifford James	-	-	-	-	-	0.00%
Kilroy Genia	-	-	-	-	-	0.00%
Key Management Personnel						
Stuart Clark	-	216,000	-	210,000	426,000	49.30%
Total	**-**	**786,000**	**-**	**210,000**	**996,000**	

Paul Dickson or related parties were paid fees of $420,000 for his role of Executive Chairman. On 28 December 2018, a related party of Paul Dickson was issued 1,000,000 shares at $0.34 as a bonus under his KPIs as outlined in the notice of meeting for the Annual General Meeting held on 30 November 2018.

Stuart Clark or related parties were paid fees of $150,000 and accrued a further $150,000 for his role as Managing Director. On 28 December 2018, a related party of Stuart Clark was issued 1,000,000 shares at $0.34 as a bonus under his KPIs as outlined in the notice of meeting for the Annual General Meeting held on 30 November 2018.

Bevan Dooley or related parties were paid fees of $150,000 and accrued a further $162,500 for his role as Chief Technical Officer of IGES.

David McIntosh or related parties were paid fees of $100,000 through the provision of accounting and taxation advice to the entity. David McIntosh was also issued 200,000 shares at $0.34 for the provision of services in addition to his role as a director.

Share Options

Details of options over unissued shares granted during the year and unissued shares under option at balance date are outlined below. When exercisable, each option is convertible into one ordinary share of the Company.

Options granted during the year
No options were granted as part of remuneration to Directors or Key Management Personnel for the year ended 30 June 2019 or 30 June 2018.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Shares under option issued to Directors and Key Management Personnel
Unissued ordinary shares of Integrated Green Energy Solutions Ltd under option issued to Directors and Key Management Personnel or their related parties at the date of this report are as follows:

Name	Date Options Granted	Number of Options on Issue	Exercise Price per Option	Expiry Date of Option	Vesting Status
Bevan Dooley	29/01/2018	9,036,722	$ 0.40	31/12/2020	Vested in full
Paul Dickson	29/01/2018	73,204,332	$ 0.40	31/12/2020	Vested in full
Paul Dickson	29/01/2018	2,437,496	$ 0.20	31/12/2019	Vested in full
David McIntosh	7/09/2017	265,000	$ 0.20	31/12/2019	Vested in full
Kilroy Genia	7/09/2017	100,000	$ 0.20	31/12/2019	Vested in full
Paul Dickson	30/07/2015	5,400,000	$ 0.20	31/12/2019	Vested in full
David McIntosh	30/07/2015	1,379,311	$ 0.20	31/12/2019	Vested in full
Paul Dickson	30/06/2015	1,379,311	$ 0.20	31/12/2019	Vested in full
Bevan Dooley	30/06/2015	1,379,311	$ 0.20	31/12/2019	Vested in full
	Total	**94,581,483**			

C. Service agreements

Stuart Clark

The Managing Director Stuart Clark has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements. The following summarises the key provisions of Mr. Clarks' contract: The agreement is for a term of 60 months commencing on 25 August 2016. In consideration for the services, IGES pays Klick Consulting Services Pty Ltd (Klick) $300,000 per year.

The agreement also provides that should Klick be terminated for convenience, IGES will, subject to shareholder approval if required, pay out the remaining period of the contract as of the date of termination until the date of contract expiry. Where this remaining period if less than 12 months IGES agrees to pay an amount equal to What IGES paid in the preceding 12 months prior to the date of termination. Klick must provide 3 months' notice if it terminates the agreement for convenience.

Paul Dickson

The Executive Chairman Paul Dickson has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements. The following summarises the key provisions of Mr. Dickson's contract:

The agreement is for a term of 60 months commencing on 31 October 2016. In consideration for the services, IGES will pay $420,000 per annum.

The agreement also provides that should IGES terminate the agreement for convenience, IGES will, subject to shareholder approval if required, pay out the remaining period of the contract to Fandola as of the date of termination until the date of contract expiry. Where this remaining period is less than 12 months IGES agrees to pay Fandola an amount equal to What IGES paid Fandola in the preceding 12 months prior to the date of termination. Fandola must provide 3 months' notice if it terminates the agreement for convenience.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Bevan Dooley

The Technical Director Bevan Dooley has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements. The following summarises the key provisions of Mr. Dooley's contract: The agreement is for IGES to pay Solid Energy Technologies a yearly sum of $300,000 in the first year, $325,000 in the second year, $350,000 in the third year and $400,000 in the fourth year and each year thereafter.

The agreement is for a term of 3 years with an option to extend for a further 2 years by mutual consent. Notwithstanding this, IGES may terminate the agreement for convenience after the first 12 months of the term by providing six months' notice to Solid Energy Technologies. Solid Energy Technologies may only terminate the agreement in the event that it is breached by IGES and not for convenience.

D. Share-based compensation

Shareholding
The number of shares in the parent entity held during the financial year by each director and key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares

		Balance 1 July 2018	Received as remuneration	Additional	Disposals	Other changes	Balance 30 June 2019
Paul Dickson	(a)	113,863,835	1,000,000	3,744,415	-	-	118,608,250
Bevan Dooley	(a)	14,183,368	-	-	-	-	14,183,368
David McIntosh	(b)	3,087,056	200,000	-	-	-	3,287,056
Kilroy Genia	(d)	100,000	-	-	-	-	100,000
Stuart Clark	(e)	1,202,617	1,000,000	-	-	-	2,202,617

		Balance 1 July 2017	Received as remuneration	Additional	Disposals	Other changes	Balance 30 June 2018
Paul Dickson	(a)	6,779,311	-	107,084,524	-	-	113,863,835
Bevan Dooley	(a)	1,379,311	-	12,804,057	-	-	14,183,368
David McIntosh	(b)	1,668,288	-	1,418,768	-	-	3,087,056
Clifford M. James	(c)	689,656	-	-	-	-	689,656
Kilroy Genia	(d)	-	-	100,000	-	-	100,000
Stuart Clark	(e)	-	1,050,000	152,617	-	-	1,202,617

(a) Paul Dickson and Bevan Dooley were appointed as Directors to the Board on 23 October 2014.

(b) David McIntosh was appointed as a Director to the Board on 15 December 2014. He was made Interim Managing Director on 4 September 2015, stepping aside on 25 August 2016.

(c) Clifford James was appointed as a Director to the Board on 22 December 2014 and resigned on 27 September 2017.

(d) Kilroy Genia was appointed as a Director to the Board on 21 January 2015.

(e) Stuart Clark was appointed as Managing Director on 25 August 2016.

Option holding
The number of options in the parent entity held during the financial year by each Director and key management personnel of the consolidated entity, including their personally related parties, is set out on the following page:

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

Options – unlisted

		Balance 1 July 2018	Issued	Exercised	Lapsed	Other changes	Balance 30 June 2019
Paul Dickson	(a)	82,421,139	-	-	-	-	82,421,139
Bevan Dooley	(a)	10,416,033	-	-	-	-	10,416,033
David McIntosh	(b)	1,644,311	-	-	-	-	1,644,311
Kilroy Genia	(d)	100,000	-	-	-	-	100,000
Stuart Clark	(e)	-	-	-	-	-	-

		Balance 1 July 2017	Issued	Exercised	Lapsed	Other changes	Balance 30 June 2018
Paul Dickson	(a)	6,779,311	75,641,828	-	-	-	82,421,139
Bevan Dooley	(a)	1,379,311	9,036,722	-	-	-	10,416,033
David McIntosh	(b)	1,379,311	265,000	-	-	-	1,644,311
Clifford M. James	(c)	689,656	-	-	-	-	689,656
Kilroy Genia	(d)	-	100,000	-	-	-	100,000
Stuart Clark	(e)	-	-	-	-	-	-

All options had vested in full at reporting date.

Share-based compensation in the form of options over ordinary shares are provided to Directors and Key Management Personnel as performance incentives in the achievement of significant increases in share price and contributions to the company outside of normal Director duties.

The fair value at grant date is independently determined using a 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.

No share-based compensation in the form of options over ordinary shares were issued during the year ended 30 June 2019 and up to the date of this report.

Shares under option

Unissued ordinary shares of Integrated Green Energy Solutions Ltd under option at the date of this report are as follows:

Date Options Granted	Number of Options on Issue	Exercise Price per Option	Expiry Date of Option
22/04/2015	3,384,451	$ 0.20	31/12/2019
30/06/2015	7,992,711	$ 0.20	31/12/2019
30/07/2015	14,215,950	$ 0.20	31/12/2019
22/09/2015	2,343,331	$ 0.20	31/12/2019
31/10/2016	4,396,664	$ 0.20	31/12/2019
29/01/2018	4,162,500	$ 0.20	31/12/2019
29/01/2018	148,000,004	$ 0.40	31/12/2020
28/12/2018	4,000,000	$ 0.40	31/12/2020
Total	**188,495,611**		

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (Audited) (continued)

E. Total Shareholders Return

The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Revenue from sales or services	-	-	-	-	-
EBITDA	(7,562)	(55,372)	(17,050)	(1,324)	(2,045)
EBIT	(7,599)	(55,656)	(17,051)	(1,332)	(2,055)
Loss after income tax	(9,530)	(57,735)	(17,437)	(1,341)	(2,160)

This concludes the remuneration report which has been audited.

Auditor

Hall Chadwick continues in the office in accordance with section 327 of the Corporations Act 2001.

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

Paul Dickson
Executive Chairman
31st day of October 2019 in Sydney.

FINANCIAL REPORT CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated	
		30/06/2019	30/06/2018
		$	$
Revenue from continuing operations			
Other revenue			
Finance income		179	4,575
Other income	3	-	14,881
Expenses			
Administrative expenses		(2,123,807)	(1,343,615)
Consultants expenses		(1,674,881)	(1,744,079)
Other expenses		(153,280)	(499,857)
Depreciation and amortisation		(36,744)	(283,736)
Due diligence and transaction costs		-	(100,335)
Employment expenses		(2,426,380)	(998,655)
Finance costs		(1,930,645)	(2,078,888)
Insurance expenses		(52,746)	(38,286)
Impairment expense		-	(49,394,927)
Occupancy expenses		(306,811)	(310,034)
Share based payments		(824,416)	(962,099)
Loss before income tax expense		**(9,529,533)**	**(57,735,055)**
Income tax benefit	4	-	-
Net Loss for the period		**(9,529,533)**	**(57,735,055)**
Other comprehensive losses			
Items that may be subsequently be classified to profit or loss			
Exchange differences arising in translation of foreign operations		(291,704)	(216,083)
Total comprehensive loss for the period, net of tax		**(9,821,236)**	**(57,951,138)**
Loss for the year attributable to			
Owners of the parent entity		(9,517,284)	(57,713,905)
Non-controlling interest		(12,249)	(21,150)
		(9,529,533)	(57,735,055)
Total comprehensive loss attributable to			
Owners of the parent entity		(9,808,906)	(57,946,019)
Non-controlling interest		(12,330)	(5,119)
		(9,821,236)	(57,951,138)

	Note	Cents / Share	
		30/06/2019	30/06/2018
		$	$
Basic and diluted loss per share	20	(0.025)	(0.302)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated 30/06/2019 $	Consolidated 30/06/2018 $
Current assets			
Cash and cash equivalents	5	1,137,078	1,346,711
Trade and other receivables	6	77,695	729,301
Other current assets	7	45,345	54,230
Funds held in escrow	8	2,921,286	2,921,286
Total current assets		4,181,404	5,051,528
Non-current assets			
Plant and equipment	9	35,774,313	6,712,004
Intangible Assets	10	75,286	68,689
Total non-current assets		35,849,599	6,780,693
Total assets		**40,031,003**	**11,832,221**
Current liabilities			
Trade and other payables	11	27,072,423	8,435,738
Loans and other borrowings	12	17,561,972	3,197,437
Total current liabilities		44,634,395	11,633,175
Total liabilities		**44,634,395**	**11,633,175**
Net assets		**(4,603,392)**	**199,046**
Equity			
Issued capital	13	62,792,620	170,239,954
Share reserve		4,184,333	3,927,894
Foreign currency reserve		(512,617)	(220,913)
Non-controlling interest		(125,760)	(101,181)
Accumulated losses		(70,941,969)	(173,646,708)
Total equity		**(4,603,392)**	**199,046**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

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

	Consolidated					
	Issued capital	**Share reserve**	**Foreign currency reserve**	**Accumulated losses**	**Non-Controlling Interest**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**
Balance 1 July 2017	110,296,989	2,101,201	(9,949)	(115,932,803)	-	(3,544,562)
Net profit / (loss) for the year	-	-	-	(57,713,905)	(21,150)	(57,735,055)
Other comprehensive income	-	-	(210,964)	-	(5,119)	(216,083)
Total comprehensive expense for the period	-	-	(210,964)	(57,713,905)	(26,269)	(57,924,869)
Transactions with owners in their capacity as owners:						
Share based payments	-	1,826,693	-	-	-	1,826,693
Shares issued net of transaction costs	59,942,964	-	-	-	-	59,942,964
Acquisition of Bin 2 Barrel **(note 21)**	-	-	-	-	(74,912)	(74,912)
Total transactions with owners recorded directly in equity	59,942,964	1,826,693	-	-	(74,912)	61,694,746
Balance 30 June 2018	**170,239,953**	**3,927,894**	**(220,913)**	**(173,646,708)**	**(101,181)**	**199,046**

	Consolidated					
	Issued capital	**Share reserve**	**Foreign currency reserve**	**Accumulated losses**	**Non-Controlling Interest**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**
Balance 1 July 2018	170,239,953	3,927,894	(220,913)	(173,646,708)	(101,181)	199,046
Net profit / (loss) for the year	-	-	-	(9,517,284)	(12,249)	(9,529,533)
Other comprehensive income	-	-	(291,704)	-	(12,330)	(304,034)
Total comprehensive expense for the period	-	-	(291,704)	(9,517,284)	(24,579)	(9,833,567)
Transactions with owners in their capacity as owners:						
Shares issued net of transaction costs **(note 13)**	6,435,859	256,440	-	-	-	6,692,299
Shares based payment	(1,661,170)	-	-	-	-	(1,661,170)
Cancellation of share capital	(112,222,023)	-	-	112,222,023	-	-
Total transactions with owners recorded directly in equity	(107,447,334)	256,440	-	112,222,023	-	5,031,129
Balance 30 June 2019	**62,792,620**	**4,184,334**	**(512,617)**	**(70,941,969)**	**(125,760)**	**(4,603,392)**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

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

	Note	Consolidated 30/06/2019 $	Consolidated 30/06/2018 $
Cash flows from operating activities			
Government grants received		1,350,580	2,371,542
Payment to suppliers and employees inclusive of goods and services tax		(5,431,236)	(7,149,930)
		(4,080,656)	(4,778,388)
Interest received		179	4,575
Finance costs paid		(28,774)	-
Net cash outflow from operating activities	19	**(4,109,251)**	**(4,773,813)**
Cash flows from investing activities			
Payments for property, plant and equipment		(12,206,729)	(6,666,974)
Proceeds/(payments) from disposal of property, plant and equipment		-	348,965
Proceeds/(payments) for acquisition of IGE assets		-	(1,041,011)
Payment for acquisition of Bin 2 Barrel, net of cash acquired		-	(852,020)
Payments for patents		(6,597)	(37,000)
Net cash outflow from investing activities		**(12,213,326)**	**(8,248,040)**
Cash flows from financing activities			
Proceeds from the issue of shares net of transaction costs		1,694,107	12,834,306
Payment of funds held in escrow		-	(2,921,286)
Net proceeds from borrowings		14,418,836	4,407,847
Net cash inflow from financing activities		**16,112,943**	**14,320,867**
Net (outflow)/inflow in cash and cash equivalents		(209,634)	1,299,014
Cash and cash equivalents at the beginning of the period		1,346,711	47,697
Cash and cash equivalents at the end of the period		**1,137,077**	**1,346,711**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

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

Note 1: Statement of Significant Accounting Policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Integrated Green Energy Solutions Ltd is a for profit-entity for the purpose of preparing the Financial Statements.

The consolidated financial statements of Integrated Green Energy Solutions Ltd comply with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial report covers Integrated Green Energy Solutions Ltd and controlled entities as a consolidated entity. Integrated Green Energy Solutions Ltd is a listed public company on the Australian Securities Exchange (trading under the symbol ”IGE”), incorporated in Australia.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Adoption of New Accounting Standards

Initial application of AASB 9: Financial Instruments

AASB 9 replaces the "incurred loss" impairment model in AASB 139 Financial Instruments: Recognition and Measurement with a forward-looking expected credit loss (ECL) model. It is no longer necessary for a loss event to occur before an impairment loss is recognised under the new model. Under the ECL model, the Group assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The new impairment model applies to financial assets at amortised cost and contract assets under AASB 15: Revenue from Contracts with Customers. The application of the new standard results in a change in accounting policy.

The Group applies the simplified approach as permitted by AASB 9, which requires the recognition of lifetime expected losses for accounts receivable and contract assets from initial recognition of such assets. At every reporting date, the Group reviews and adjusts its historically observed default rates based on current conditions and changes in the future forecasts. As regards to other receivables, the Group applies the general approach as permitted by AASB 9, which requires impairment to be measured using the 12-month expected credit loss method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss is adopted.

The adoption of AASB 9 has had no material impact on the results and financial position of the Group for the current and prior years.

The measurement categories for all financial liabilities remain the same, the carrying amount for all financial liabilities at 1 July 2018 have not been impacted by the initial application of AASB 9.

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

Note 1: Statement of Significant Accounting Policies (continued)

The Group did not designate or re-designate any financial asset or financial liability at fair value through profit or loss at 1 July 2018.

Initial application of AASB 15: Revenue from Contracts with Customers

AASB 15 provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group has selected to use modified retrospective approach in adopting AASB 15 which recognises the cumulative effect of initial application through opening retained earnings as at 1 July 2018. No adjustment was applied to the opening retained earnings as the cumulative effect is not material.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019, and will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right—to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

- depreciation of right—to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;

- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;

- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and

- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial

The Group will adopt this standard from 1 July 2019. As at 30 June 2019 the Group’s total operating lease commitments were $403,220.

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

Note 1: Statement of Significant Accounting Policies (continued)

Going concern basis of accounting

During the year ended 30 June 2019, the Group incurred an operating loss before tax of $9,529,533

and a working capital deficiency of $40,452,991 as at that date, as disclosed in the statement of profit or loss and statement of financial position. The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent upon the Group being successful with respect to the following factors:

a) The Group is in discussions with various parties relating to a combination of debt and equity funding. Once finalized, these funds will be utilised to complete the construction and to fund operations of facilities in Amsterdam, Grimsby, Thailand, China and Hong Kong and to exploit the non-recyclable waste plastics to fuel technology being acquired through the various IGE transactions;

b) The ability of the Group to raise additional funds from shareholders and new investors;

c) The conversion of existing debt finance to equity; and

d) Operate these facilities at a profit to enable it to pay creditors and funding commitments as they fall due.

The above factors give rise to material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

However, the Directors believe that the Group will be successful in achieving favourable outcomes on the above matters and that it will have sufficient funds to pay its debts and meet its commitments from the date of this financial report, and accordingly, have prepared the financial report on a going concern basis.

At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2019. As such, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

Principles of consolidation

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of Integrated Green Energy Solutions Ltd ('Company or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Integrated Green Energy Solutions Ltd and its subsidiaries together are referred to in this financial report as the 'consolidated entity' or the 'Group'.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity.

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

Note 1: Statement of Significant Accounting Policies (continued)

Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

Foreign currency translation
The functional and presentation currency of the Group is Australian dollars. Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such

transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Financial Assets
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 amortised cost using the effective interest rate method.

Effective interest rate method
The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or a shorter period where appropriate.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.
Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach

General approach
Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Note 1: Statement of Significant Accounting Policies (continued)

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables which do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements
At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Reversal of impairment
If in a subsequent accounting period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets
Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

Note 1: Statement of Significant Accounting Policies (continued)

Financial liabilities
Financial liabilities are recognised initially at fair value at the trade date at which the Group becomes party to the contractual provisions of the instrument. The Groups financial liabilities include trade and other payables.

Derecognition of financial liabilities
A financial liability is derecognised when the associated obligation is discharged, cancelled or expires.

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Investments
Investments are stated at the lower of their carrying amount and fair value less costs to sell. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Impairment of assets
Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset is defined as the higher of its fair value less costs to sell and value in use.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured.

Borrowings
Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

Finance costs
Finance costs are recognised as expenses in the period in which they are incurred, except those that are incurred as part of the construction of a qualifying asset, which are capitalised. Finance costs include interest on short and long term borrowings.

Provisions
Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

Note 1: Statement of Significant Accounting Policies (continued)

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Share-based payments

Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognized as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a 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.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit (|oss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Intangible Assets

Patents are recorded at cost and are amortised over a period of 20 years, being the period in which their benefits are expected to be realised.

Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Plant and equipment is depreciated at rates of between 11.25% and 40.00%.

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

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

Note 1: Statement of Significant Accounting Policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses where applicable.

Income tax credits, such as the R&D tax concession, are recognised as an income tax benefit in the statement of profit or loss when the right to receive payment is established.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company is the head entity in a tax-consolidated group comprising the Company and all of its Australian wholly owned subsidiaries. The implementation date of the tax consolidated system of the tax consolidated group was 1 July 2003.

The members of the tax consolidated group have not entered into any tax funding arrangements or a tax sharing agreement dealing with the allocation of income tax liabilities should the head entity default on its obligations. Tax funding or sharing agreements are not considered to be currently relevant to the operations of the tax consolidated group given the tax losses available for use.

Cash and cash equivalents

For the statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

A|| trade and other receivables are recognised at the amounts receivable as they are generally due for settlement by no more than 30 days. Terms of settlement vary depending on seasonality and the type of product sold.

Collectability of trade and other debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. A provision for impairment of receivables is raised when some doubt as to collection exists.

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

Note 1: Statement of Significant Accounting Policies (continued)

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in trade and other receivables or trade and other payables in the statement of financial position.

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

Foreign currencies translations and balances
Transactions and balances
Transactions in foreign currencies of entities within the consolidated Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues or expenses for the financial year.

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

Preference share capital
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon would be recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in the statement of comprehensive income as accrued.

Parent entity financial information
The financial information for the parent entity, Integrated Green Energy Solutions Ltd, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements.

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

Note 1: Statement of Significant Accounting Policies (continued)

Convertible notes
On issuance of convertible notes, an assessment is made to determine whether the convertible notes contain an equity instrument or whether the whole instrument should be classified as a financial liability.

When it is determined that the instrument contains an equity component based on the terms of the contract, on issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 2: Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report 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 consolidated entity.

Share-based payments
Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a 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.

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

	Consolidated	
	30/06/2019 $	**30/06/2018 $**
Note 3: Other income		
Gain on disposal of property, plant and equipment	-	14,881
	-	**14,881**

	Consolidated	
	30/06/2019 $	**30/06/2018 $**
Note 4: Income tax		
a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
Income tax benefit	**-**	**-**
b) Reconciliation of income tax benefit to pre-tax accounting loss		
Profit / (Loss) before income tax	(9,529,533)	(57,735,055)
Tax at the Australian tax rate 27.5%	(2,620,621)	(15,877,140)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development claim	-	-
Impairment expense not deductible	-	13,363,545
Share based payments	226,714	502,340
Other permanent differences	-	-
Tax losses and timing differences not recognised	2,393,907	2,011,255
Income tax benefit	**-**	**-**

c) Deferred Tax

No deferred tax assets have been recognised as yet, other than to offset deferred tax liabilities, as it is currently not probably that the future taxable profit will be available. Potential deferred tax asset on carry forward losses amount to $30,062,826 (2018: $27,668,919). The recoupment of these carried forward losses are subject to loss testing rules applicable at the time of recoupment.

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

	Consolidated	
	30/06/2019 $	30/06/2018 $
Note 5: Cash and cash equivalents		
Cash at bank	1,125,964	1,279,305
Rental bond	11,113	67,406
	1,137,078	**1,346,711**

	Consolidated	
	30/06/2019 $	30/06/2018 $
Note 6: Trade and other receivables		
Other receivables	77,695	729,301
Provision for expected credit losses	-	-
	77,695	**729,301**

The Group applies the AASB 9 simplified accounting approach to measuring expected credit losses, which permits the use of the lifetime expected loss provision for all other receivables.

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

	Consolidated	
	30/06/2019 $	30/06/2018 $
Note 7: Other current assets		
Interest Receivable	679	679
Prepayments	44,666	53,551
	45,345	**54,230**

	Consolidated	
	30/06/2019 $	30/06/2018 $
Note 8: Funds held in escrow		
Funds held in escrow	2,921,286	2,921,286
	2,921,286	**2,921,286**

As part of IGES's debt funding efforts, the Company has been required to hold funds in escrow since July 2017. These funds can be released if debt funding transactions are terminated prior to completion.

	Consolidated	
	30/06/2019 $	30/06/2018 $
Note 9: Property, plant and equipment		
Plant and equipment - at cost	29,045,159	7,772,978
Less: Accumulated depreciation	(37,138)	(1,116,923)
Property	6,766,291	55,949
	35,774,313	**6,712,004**

Reconciliations

Reconciliations of the net book values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment	Furniture and Fittings	Property	Leasehold improvements	Total
Consolidated	$	$	$	$	$
Balance 1 July 2017	526	-	-	-	526
Acquistion of IGE Assets	800,218	-	100,540	-	900,758
Acquisition of Bin 2 Barrel (note 21)	771,784	-	-	-	771,784
Addition	6,167,481	-	499,493	-	6,666,974
Disposals	-	-	(544,084)	-	(544,084)
Impairment expense	(800,218)	-	-	-	(800,218)
Depreciation expense	(283,736)	-	-	-	(283,736)
Balance at 30 June 2018	**6,656,055**	**-**	**55,949**	**-**	**6,712,004**
Balance 1 July 2018	6,656,055	-	55,949	-	6,712,004
Addition	22,338,517	28,108	6,710,342	22,480	29,099,446
Depreciation expense	(16,062)	(4,137)	-	(16,545)	(36,744)
Exchange differences	-	(79)	-	(315)	(394)
Balance at 30 June 2019	**28,978,510**	**23,891**	**6,766,291**	**5,620**	**35,774,313**

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

	Consolidated 30/06/2019 $	Consolidated 30/06/2018 $
Note 10: Intangible Assets		
Goodwill	-	2,825,074
Impairment of goodwill	-	(2,825,074)
Intellectual property	-	45,769,635
Impairment of intellectual property	-	(45,769,635)
Patents	75,286	68,689
	75,286	**68,689**

Reconciliations

Reconciliations of the net book values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Intellectual Property $	Patents $	Total $
Balance 1 July 2017	-	-	31,689	31,689
Acquisition of IGE Assets	-	45,769,635	-	45,769,635
Acquisition of Bin 2 Barrel (note 21)	2,825,074	-	-	2,825,074
Addition	-	-	37,000	37,000
Impairment expense	(2,825,074)	(45,769,635)	-	(48,594,709)
Balance at 30 June 2018	**-**	**-**	**68,689**	**68,689**
Balance 1 July 2018	-	-	68,689	68,689
Addition	-	-	6,597	6,597
Impairment expense	-	-	-	-
Balance at 30 June 2019	**-**	**-**	**75,286**	**75,286**

	Consolidated 30/06/2019 $	Consolidated 30/06/2018 $
Note 11: Trade and other payables		
Trade payables	11,316,729	2,988,426
Accrued expenses and sundry creditors	9,922,900	965,099
Provision	5,832,793	4,482,213
	27,072,422	**8,435,738**

	Consolidated 30/06/2019 $	Consolidated 30/06/2018 $
Note 12: Loans and other borrowings		
Loan from IGE	197,648	1,652,689
Loans from unrelated parties	11,990,235	176,865
Loans from related parties	3,655,577	779,891
Interest on loans from unrelated parties	364,564	534,796
Interest on loans from related parties	1,336,076	-
Loan and interest payable to TVI Pacific Inc.	-	24,081
Capital promissory notes and interest payable	17,872	29,116
	17,561,972	**3,197,437**

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

Note 12 Loans and other borrowings (continued)

Loan from related parties

During the period IGES received a net amount of $2,875,686 from related parties (2018: $779,891). The total outstanding loans, excluding interest on loan, from related parties are $3,655,577.

Note 13 Equity - issued capital and reserves

	30/06/2019 Shares	30/06/2018 Shares	30/06/2019 $	30/06/2018 $
Ordinary shares				
Ordinary shares - authorised and fully paid	392,622,178	361,555,294	62,792,620	170,239,954
	392,622,178	361,555,294	62,792,620	170,239,954

	No. of shares	$
Movements in ordinary share capital		
Balance Ordinary Shares at 30 June 2018	361,555,294	170,239,954
Share placement - debt conversion	7,390,014	2,512,605
Share placement - in lieu of directors' fees	2,200,000	748,000
Share placement - in lieu of payables	246,504	76,417
Share placement – cash paid	17,230,366	1,738,837
Share placement – expenses	4,000,000	1,360,000
Transaction costs	-	(1,661,170)
Cancellation of share capital #	-	(112,222,023)
Balance at 30 June 2019	**392,622,178**	**62,792,620**

Section 258F of the Corporations Act allows a company to reduce its share capital by cancelling any paid-up share capital that is lost or is not represented by available assets. Given the long history of the consolidated entity and changes in the principal activity in recent years, the Directors believe that $112,222,023 of the parent entity's share capital satisfies the criteria in Section 258F of the Corporations Act and accordingly this amount of the ordinary share capital has been cancelled.

The Company has taken the decision as part of the transition from its pre-relisting activities, to isolate and remove the accumulated losses relating to exploration activities prior to relisting.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number shares held. The fully paid ordinary shares have no par value.

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

Note 13: Equity - issued capital and reserves (continued)

	Consolidated	
	30/06/2019 $	30/06/2018 $
Share reserve		
(i) Nature and purpose of reserve		
This reserve is used to record the fair value of converting redeemable preference shares and options		
Balance at beginning of year	3,927,894	2,101,201
options issued for acquisition of IGE assets	256,440	1,826,693
Balance at end of year	**4,184,334**	**3,927,894**
Foreign currency reserve		
(i) Nature and purpose of reserve		
This reserve is used to record the exchange differences arising on translation of a foreign entity		
Balance at beginning of year	(220,913)	(9,949)
Foreign currency movements	(291,704)	(210,964)
Balance at end of year	**(512,617)**	**(220,913)**

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

Note 14: Financial risk management

The Company and the consolidated entity have exposure to the following risks from their use of financial instruments

- credit risk
- liquidity risk
- market risk

This note presents information about the Company and consolidated entity's exposure to each of the above risks, the objectives policies and processes for measuring and managing the risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company and the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Capital management
The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future exploration and evaluation of its tenements.

The consolidated entity defines capital as the equity as shown on the consolidated balance sheet.

There were no changes in the consolidated entity's approach to capital management during the year. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Credit risk
Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the consolidated entity's receivables from customers. For the Company it arises from receivables due from subsidiaries and associates.

The consolidated entity mitigates credit risk through a review of each potential customer. The maximum exposure to credit risk at the reporting date is disclosed in Note 6.

The consolidated entity is also indirectly affected by credit risk through its cash balances. The consolidated entity mitigates its risk through investment in triple rated financial institutions.

Integrated Green Energy Solutions Ltd undertakes a review of all loans and receivables periodically and assesses the recoverability of the asset against analysis of estimated future cash flows from future operations. Where the estimated future cash flows do not support recoverability of the loan balance, an allowance for impairment is recognised in the consolidated statement of comprehensive income.

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

Note 14: Financial risk management (continued)

Liquidity risk
Liquidity risk is the risk that the Company or consolidated entity will not be able to meet its financial obligations as they fall due. Refer Note 1: Going concern basis of accounting. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The cash facilities are continually monitored matching forecast cash flows with the maturity profile of financial assets and liabilities.

The following table shows the contractual maturities of financial liabilities.

	Consolidated			
	Carrying Amount	Contractual Cash Flows	6 months or less	Between 6 and 12 months
	$	$	$	$
Trade and other payables	27,072,423	27,072,423	27,072,423	-
Loans and other borrowings	17,561,972	17,561,972	-	17,561,972
	44,634,395	**44,634,395**	**27,072,423**	**17,561,972**

Market risk
Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the consolidated entity's income. The objective of market risk is to manage and control the market risk exposures within acceptable parameters, while optimising the return.

Currency risk
The consolidated entity undertakes transactions in foreign currencies. The consolidated entity manages foreign exchange exposure by constantly monitoring and analysing exchange risks and currency used within its operations.

At 30 June 2019, the consolidated entity had payables in foreign currency of €5,452,321 and SGD573,629 relating to transactions for which the consolidated entity had firm commitments.

Based on the foreign currency payables at 30 June 2019 of €5,452,321and SGD573,629, an official decrease in exchange rates of one percentage point would have a positive effect on profitability and equity of approximately $94,387.

Conversely an official increase in exchange rates of one percentage point would have an adverse effect on profitability and equity of approximately $94,387.

There were no forward exchange contracts in place at 30 June 2019.

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

Note 14: Financial risk management (continued)

Interest rate risk
The consolidated entity manages interest rate risk by constantly monitoring its interest rate sensitive assets and liabilities.

The consolidated entity has undertaken a sensitivity analysis on interest rate risk and has determined a one percentage point movement over the last twelve months is consistent with current market trends.

	Consolidated			
	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total
30 June 2019	$	$	$	$
Financial assets				
Cash at bank	1,137,078	-	-	1,137,078
Trade and other receivables	-	-	77,695	77,695
Total financial assets	**1,137,078**	**-**	**77,695**	**1,214,773**
Weighted average interest rate	0.75%			
Financial liabilities				
Trade and other payables	-	11,014,131	16,058,292	27,072,423
Loans	-	17,179,536	382,436	17,561,972
Total financial liabilities	**-**	**28,193,667**	**16,440,727**	**44,634,394**
Weighted average interest rate	10.76%			

Based on cash at hand of $1,137,078 as at 30 June 2019, an increase in interest rates of one percentage point would have a positive effect on profitability and equity of approximately $11,371 per annum. Conversely, a decrease in interest rates of one percentage point would have an adverse effect on profitability and equity of approximately $11,371 per annum.

	Consolidated			
	Floating Interest	Fixed Interest	Non Interest	Total
30 June 2018	$	$	$	$
Financial assets				
Cash at bank	1,346,711	-	-	1,346,711
Trade and other receivables	-	-	729,301	729,301
Total financial assets	**1,346,711**	**-**	**729,301**	**2,076,012**
Weighted average interest rate	0.75%			
Financial liabilities				
Trade and other payables	-	-	8,435,738	8,435,738
Loans	-	2,609,445	587,992	3,197,437
Total financial liabilities	**-**	**2,609,445**	**9,023,730**	**11,633,175**
Weighted average interest rate	12.00%			

Fair value of financial instruments
The carrying amount of financial instruments are deemed to reflect their fair value given their short-term nature.

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

Note 15: Key management personnel disclosures

Compensation
The aggregate compensation made to the Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	30/06/2019 $	**30/06/2018 $**
Short-term employee benefits	1,190,833	786,000
Post-employment benefits	5,542	-
Share-based payments	748,000	210,000
	1,944,375	**996,000**

Detailed remuneration disclosures are contained in the remuneration report on pages 11 to 17.

Note 16: Related party transactions

For the year ended 30 June 2019, the following related party transactions occurred:

Paul Dickson or related parties were paid fees of $420,000 for his role of Executive Chairman.

Stuart Clark or related parties were paid fees of $150,000 and accrued a further $150,000 for his role as Managing Director.

On 28 December 2018, a related party of Stuart Clark was issued 1,000,000 shares at $0.34 as a bonus under his KPIs as outlined in the notice of meeting for the Annual General Meeting held on 30 November 2018.

On 28 December 2018, a related party of Paul Dickson was issued 1,000,000 shares at $0.34 as a bonus under his KPIs as outlined in the notice of meeting for the Annual General Meeting held on 30 November 2018.

David McIntosh or related parties were paid fees of $100,000 through the provision of accounting and taxation advice to the entity. David McIntosh was also issued 200,000 shares at $0.34 for the provision of services in addition to his role as a director.

Bevan Dooley or related parties were paid fees of $150,000 and accrued a further $162,500 for his role as Chief Technical Officer of IGES.

Amounts owed to related parties of Bevan Dooley, charged with the construction of the PTF modules, total $2,749,018. This relates to outstanding invoices payable for work completed and interest accrued on overdue payments.

Loan amounts and interest accrued payable to related parties of Paul Dickson have been capitalised and capped as part of a success fee negotiation. The amounts are entirely unsecured and provided on inferior terms to those offered to unrelated parties at the time of inception. The Company was unable to secure any external source of funding for this amount at this time. The loan offer and terms where offered to all Directors and all rejected the offer with the exception of Paul Dickson. The outstanding amounts only become payable upon completion of the following deliverables:

1) Provision of full funding for the initial IGES plastics to fuel site;
2) Capacity to generate fuel at the initial site; and
3) Commissioning of initial kiln

These deliverables are a prerequisite to ensure the Company is able to successfully roll out its plastic to fuel technology at its initial site. Having this initial site developed to commissioning will act as the cornerstone to develop all future opportunities for the Company. The total amount accrued under this agreement as at 30 June 2019 is $9,601,171.

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

Throughout the year, the following shares were issued to directors as outlined in the remuneration report:

Paul Dickson	1,000,000
Stuart Clark	1,000,000
David McIntosh	200,000
	2,200,000

The following shares were also issued for the reduction of amounts payable to directors:

Paul Dickson	3,744,415
Bevan Dooley	3,645,599
	7,390,014

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

Note 17: Auditors remuneration

The following outlines the fees paid or payable for services provided by the auditors during the financial year.

	Consolidated	
	30/06/2019 $	30/06/2018 $
Audit services		
Audit fees paid or payable to Hall Chadwick	67,359	50,750
Non-audit services		
Amounts received or due and receivable by Hall Chadwick		
- Taxation services	-	-
- Corporate advisory services		16,500
	67,359	**67,250**

Note 18: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policies described in Note 1:

Name of entity	Country of Incorporation	Equity holding %	
		30/06/2019	30/06/2018
Integrated Green Energy Singapore Pte Ltd	Singapore	100	100
Integrated Green Energy Amsterdam	The Netherlands	90	90
Integrated Green Energy UK Ltd	United Kingdom	100	100
Integrated Green Energy HK Company Ltd	Hong Kong	70	70
FOY (H.K.) Group Limited	Hong Kong	100	100
Integrated Green Energy USA, Inc	USA	100	100
Integrated Green Partners, LLC	USA	50	50
IGE (Thailand) Co., Ltd (a)	Thailand	90	-
Magnesium Holdings Pty Limited *	Australia	100	100
New Guinea Iron Pty Ltd*	Australia	100	100
Gamas Magnesium Technology Pty Limited *	Australia	100	100
Samag Pty Ltd*	Australia	100	100
Magnesium Developments Limited *	Australia	100	100
Magnesium International (No.1) Pty Limited *	Australia	100	100
Magnesium International (No.2) Pty Limited *	Australia	100	100
FOY Australia Pty Ltd *	Australia	100	100
FOY Technology Pty Ltd *	Australia	100	100
Titan Metals Limited *	PNG	100	100
Titan Mines Limited *	PNG	100	100
Fairway Resources Limited *	PNG	100	100

(a) IGE (Thailand) Co., Ltd was incorporated on 8 May 2019

* Currently dormant

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

Note 19: Reconciliation of loss after income tax to net cash flows from operating activities

	Consolidated	
	30/06/2019 $	30/06/2018 $
Loss after income tax	(9,529,533)	(57,735,055)
Depreciation and amortisation	36,744	283,736
Impairment expense	-	49,394,927
Finance expense	1,901,870	2,078,888
Gain on sale of plant and equipment	-	(14,881)
Share based payments	824,416	962,099
Net of exchange differences	(304,034)	(216,083)
Changes in operating assets and liabilities:		
Trade and other receivables	651,606	(706,777)
Other assets	8,884	155,357
Trade and other payables	2,300,796	1,023,976
Net cash outflow from operating activities	**(4,109,251)**	**(4,773,813)**

Note 20: Earnings per share

	Consolidated	
	30/06/2019 $	30/06/2018 $
Profit attributable to ordinary shareholders		
Net profit / (loss) attributable to ordinary shareholders	(9,529,533)	(57,735,055)
	2019 No.	**2018 No.**
Weighted average number of ordinary shares (on a post-consolidation basis)		
Issued ordinary shares at beginning of year	361,555,294	361,555,294
Effect of shares issued	20,105,393	(170,369,281)
Weighted average number of shares on issue at reporting date	381,660,687	191,186,013
Basic and dilutive loss per share	(0.025)	(0.302)

Options and converting redeemable preference shares are not dilutive

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

Note 21: Acquisition of Controlled Entities

On 1 January 2018, the parent entity acquired a 90% interest in and control of Integrated Green Energy Amsterdam BV (formerly known as Bin 2 Barrel BV). By holding 90% of the outstanding voting shares in Integrated Green Energy Amsterdam BV, the Group holds the majority of the seats on the Board of Integrated Green Energy Amsterdam BV, thereby giving the Group the current ability to direct the relevant activities of the entity.

This transaction is considered a business combination accordingly to AASB 3. Acquisition method is applied by netting the purchase consideration with the fair value of the acquired assets, liabilities and contingent liabilities assumed at the acquisition date.

	Fair Value $
Purchase consideration:	
Cash	2
Consideration payable	2,150,868
	2,150,870
Less:	
Property, plant and equipment	771,784
Cash	300,231
Trade and other receivables	5,026
Trade and other payables	(1,826,157)
Identifiable liabilities assumed	(749,116)
Less: non-controlling interests	(74,912)
Goodwill	2,825,074
Purchase Consideration - cash outflow	
Cash paid	(1,152,251)
Less: cash balance acquired	300,231
Inflow of cash - investing activities	(852,020)

1) The consideration paid to acquire Integrated Green Energy Amsterdam BV consisted of $2,150,868 in cash, payable in instalments.

2) A 10% interest in Integrated Green Energy Amsterdam BV is held by non-controlling interests. The fair value of the non-controlling interests at acquisition date has been recognised at $74,912.

3) The directors believe the receivables are fully recoverable and no provision for impairment is required.

4) The goodwill is attributable to the high profitability of the acquired business and the significant synergies that are expected to arise after the Group's acquisition of Integrated Green Energy Amsterdam BV. However, IGES has taken a conservative approach and impaired the goodwill of $2,825,075 in the financial year ended 30 June 2018.

5) No amount of the goodwill is deductible for tax purposes.

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

	Post- consolidation basis	
	Parent	
	30/06/2019 Options	30/06/2018 Options
Note 22: Share-based payments		
Options on issue at reporting date	188,495,611	184,495,611

Movement in Options	Number of options	Weighted average exercise price $
Unlisted options		
Opening balance at 1 July 2018	184,495,611	0.360
Options issued during the year	4,000,000	0.400
Options exercised during the year	-	-
Options lapsed during the year	-	-
Balance at 30 June 2019	**188,495,611**	**0.361**

Options hold no voting or dividend rights and are not transferable.

The Group had the following unlisted share options on issue at reporting date:

Number of options	Exercise Price	Issue Date	Expiry Date	Vesting Date	Vesting Conditions
3,384,451	$ 0.20	22/04/2015	31/12/2019	-	None
7,992,711	$ 0.20	30/06/2015	31/12/2019	-	None
14,215,950	$ 0.20	30/07/2015	31/12/2019	-	None
2,343,331	$ 0.20	22/09/2015	31/12/2019	-	None
4,396,664	$ 0.20	31/10/2016	31/12/2019	-	None
4,162,500	$ 0.20	29/01/2018	31/12/2019	-	None
148,000,004	$ 0.40	29/01/2018	31/12/2020	-	None
4,000,000	$ 0.40	28/12/2018	31/12/2020	-	None
188,495,611					

The weighted average contractual life of the options are 1.31 years.

The following movements occurred during the year:

On 28 December 2018, 4,000,000 unlisted options were issued as outlined in resolution 10 of the AGM notice of meeting.

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

Note 23: Parent entity disclosures

The ultimate parent entity within the group is Integrated Green Energy Solutions Ltd. The balances and transaction between the Company and its subsidiaries which are related to the Company have been eliminated on consolidation and are not disclosed within this note.

	Company	
	30/06/2019 $	30/06/2018 $
Results of the parent entity		
Profit / (Loss) for the period	(8,013,822)	(57,951,138)
Total comprehensive income for the period	(8,013,822)	(57,951,138)
Financial position of parent entity at year end		
Current assets	3,641,634	3,408,797
Total assets	14,029,968	6,752,888
Current liabilities	16,779,405	5,560,995
Total liabilities	16,779,405	5,560,995
Total equity of the parent comprising of:		
Share capital	62,792,620	170,239,954
Reserves	4,184,333	3,927,894
Accumulated losses	(69,685,689)	(173,893,890)
Total equity of the parent	(2,708,735)	273,958

Note 24: Operating segments

Integrated Green Energy Solutions Ltd has two operating segments and three geographical segments. For management reporting purposes, the Group is organised into business units based on its activities and has identified its business segments as follows:
- The Plastics to Fuel (PTF) areas segment undertakes the construction and operation of PTF facilities. These activities are currently being undertaken in the geographical segment of The Netherlands.
- The Corporate activities which incorporates the corporate functions of the parent entity including regulatory activities and the development of new markets and business opportunities. These corporate activities are undertaken in the geographical segments of Australia and Singapore.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and financial income) and income taxes are managed on a group basis and are not allocated to operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note1 of the financial statements. Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions between third parties.

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

Note 24: Operating segments (continued)

	Geographical Segments			
	The Netherlands	Australia Corporate	Singapore Corporate	Total
30 June 2019	Operational Segments			
	PTF Operations	Corporate	Corporate	Total
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross Profit	-	-	-	-
Other Income				
Finance income	-	150	29	179
Other income				-
Expenses				
Administrative expenses	(122,486)	(1,958,984)	(42,337)	(2,123,807)
Consultants expenses	-	(1,655,974)	(18,907)	(1,674,881)
Other expenses	-	(141,213)	(12,067)	(153,280)
Depreciation and amortisation	-	(16,062)	(20,682)	(36,744)
Due diligence and transaction costs	-	-	-	-
Employment expenses	-	(996,058)	(1,430,322)	(2,426,380)
Finance costs	-	(1,930,517)	(128)	(1,930,645)
Insurance expenses	-	(52,746)	-	(52,746)
Impairment expense	-	-	-	-
Occupancy expenses	-	(181,579)	(125,233)	(306,812)
Share based payments	-	(824,416)	-	(824,416)
Loss before income tax	**(122,486)**	**(7,757,400)**	**(1,649,648)**	**(9,529,533)**
Income tax benefit	-	-	-	-
Net loss for the year	**(122,486)**	**(7,757,400)**	**(1,649,648)**	**(9,529,533)**
Total assets	**13,065,281**	**15,225,702**	**11,740,020**	**40,031,003**
Total liabilities	**(15,261,983)**	**(15,739,669)**	**(13,632,743)**	**(44,634,395)**

Note 25: Commitments

	Consolidated	
	30/06/2019 $	30/06/2018 $
Commitments in relation to expenditure contracted for at reporting date but not recognised as liabilities/payable;		
Within one year	277,754	131,556
Later than one year but not later than five year	125,966	74,382
Later than five years	-	-
	403,720	**205,938**

Commitments of $391,900 (2018: $197,334) relate to a lease for IGES's leased corporate premises and vehicle.

Commitments of $11,820 (2018: $8,604) relate to the provision of data and print services.

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

Note 26: After balance date events

On 8 July 2019, IGES announced the issue of 1,251,200 ordinary shares in satisfaction of $283,745 in loans.

On 16 August 2019, IGES announced it had executed a term sheet with Envirotech Waste Recycling Inc ("EWRI").

Under the terms of the agreement, EWRI will have a 10% equity stake in the Philippines project and provide all feedstock requirements for the facility. This agreement provides IGES local assistance to achieve government approvals and the supply of 200 tonnes per day ("tpd") of feedstock.

IGES is responsible for providing the PTF technology, funding, design, construction and operation of the facility.

Subject to agreement regarding detailed contractual terms by 30 December 2019, IGES will establish an entity in the Philippines ("IGE Philippines") and will take a 90% equity position. EWRI will have a 10% equity stake in consideration for providing reliable feedstock supply and local management assistance. There are no conditions precedent to the term sheet.

On 16 August 2019, IGES announced it had executed a term sheet with PT Hasya Jaya ("PTHJ").

Under the terms of the agreement, PTHJ will be providing 200 tpd in feedstock, in addition to being responsible for achieving environmental permits for the site. Once operational, the site will produce over 70 million litres of road ready fuel annually. PTHJ's experience in licensing requirements and contacts throughout the recycling industry will assist IGES to expand throughout Indonesia.

IGES is responsible for providing the PTF technology, funding, design, construction and operation of the facility.

PTHJ shall be the Company's exclusive partner for any fuel plant constructed or feedstock supply agreement entered within Java, Sumatra, Kalimantan and Bali.

Subject to agreement regarding detailed contractual terms by 30 December 2019, IGES will establish an entity in Indonesia ("IGE Indonesia") and will take a 90% equity position. PTHJ will have a 10% equity position in consideration for providing reliable feedstock supply and local management assistance.

Note 27: Company details

The registered office of the Company is:

Suite 306
781 Pacific Highway
Chatswood, NSW, 2067

The principal place of business of the Company is:

Suite 306
781 Pacific Highway
Chatswood, NSW, 2067

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019

The Directors of Integrated Green Energy Solutions Ltd declare that:

(a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

(c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

(d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Paul Dickson
Executive Chairman

Dated this 31 October 2019

INTEGRATED GREEN ENERGY SOLUTIONS LTD
AND CONTROLLED ENTITIES
ABN 23 003 669 163

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INTEGRATED GREEN ENERGY SOLUTIONS LTD

In accordance with section 307C of the *Corporations Act 2001,* I am pleased to provide the following declaration of independence to the directors of Integrated Green Energy Solutions Ltd. As the lead audit partner for the audit of the financial report of Integrated Green Energy Solutions Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 30 September 2019

INTEGRATED GREEN ENERGY SOLUTIONS LTD
ABN 23 003 669 163
AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED GREEN ENERGY SOLUTIONS LTD

Report on the Financial Report

Opinion

We have audited the financial report of Integrated Green Energy Solutions Ltd and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion the accompanying financial report of Integrated Green Energy Solutions Ltd and Controlled Entities is in accordance with the *Corporations Act 2001,* including;

a. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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 about whether the financial report is free from material misstatement. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* has been given to the directors of the Company.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred an operating loss before tax of $9,529,533 during the year ended 30 June 2019, and as of that date the Group's current liabilities exceeded its current assets by $40,452,991. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2019. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INTEGRATED GREEN ENERGY SOLUTIONS LTD
ABN 23 003 669 163
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED GREEN ENERGY SOLUTIONS LTD

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Carrying value property, plant and equipment *Refer to Note 9 Property, plant and equipment*	
A substantial amount of the Group's non-current assets relates to property, plant and equipment amounting to $35,774,313 that are subject to an impairment assessment in accordance with AASB 136 "Impairment of Assets". The carrying value of property, plant and equipment is considered a key audit matter because the value of property, plant and equipment relative to total assets are material to the Group's financial report.	Our procedures included, amongst others: • We assessed the Group's accounting policies with respect to the property, plant and equipment for compliance with relevant Australian Accounting Standards; • We obtained and reviewed a reconciliation of property, plant and equipment and tested a sample of additions of property, plant and equipment to supporting documentation; • We reviewed internal and external indicators of impairment relating to the carrying value of property, plant and equipment which included performing a physical inspection of the construction site and verified with the progress report provided; • We assessed the appropriateness of capitalising borrowing costs which were directly attributable to the construction in accordance with AASB 123 "Borrowing Costs"; and • We assessed the adequacy of the Group's disclosures in relation to the carrying value of property, plant and equipment.

INTEGRATED GREEN ENERGY SOLUTIONS LTD
ABN 23 003 669 163
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED GREEN ENERGY SOLUTIONS LTD

Equity settled borrowings *Refer to Note 13 Equity – issued capital and reserves*	
During the year ended 30 June 2019, the Group issued ordinary shares to settle existing loans owing to Key Management Personnel of the company. The total amount settled was $1,642,225. The shares were issued for a price of $0.30 cents per which was determined based on the quoted fair value of the shares on the date of issue. The resulting expense arising from the difference between the fair value of the shares issued and carrying value of the existing loans was $870,380. The above transactions were accounted for in accordance with AASB 9 "Financial Instruments" and AASB Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments." There is a risk in the financial report that the amounts are incorrectly recognised and/or inappropriately disclosed.	Our procedures included, amongst others: • We evaluated management's assessment of the valuation and recognition of the fair value of ordinary shares; • We confirmed the terms and details of the existing loans including the settlement arrangement; • We held discussions with management to understand the settlement arrangement in place; • Where required, we ensured the shares issued in relation to the debt extinguishment were approved by the shareholders during the Annual General Meeting; and • We reviewed the adequacy of the Group's disclosures in respect of the accounting treatment of the equity-based extinguishment of financial liabilities in the financial report including the accounting policy adopted.

Share-based payment transactions *Refer to Note 22 Share-based payments and Note 2 Critical accounting estimates and judgements*	
During the year ended 30 June 2019, the Group incurred total share-based payments expense amounting to $824,416. This expense was in relation to the settlement of supplier and consultant expenses through the issue of ordinary shares. The above transactions represent share-based payments in accordance with AASB 2 "Share-based Payment." The accounting for share-based payments was a key audit matter because the expense incorporates an element of judgement in relation to the determination of fair value, particularly in relation to the options. The Group valued the options, using an option pricing model, where inputs such as volatility, dividend yield and risk-free rate require judgement.	Our procedures included, amongst others: • We obtained and confirmed a reconciliation of shares and options on issue during the year, and assessed whether new shares and options issued trigger the requirements of AASB 2 "Share-based Payment"; • We reviewed the share-based payment amount recognised during the year against the terms and conditions of the underlying share-based payments; • We ensured the shares issued in relation to the share-based payments were approved by the shareholders during the Annual General Meeting; • We verified the fair value of the services received to supplier invoices; and • We assessed the adequacy of the Group's disclosures in relation to the share-based payment transactions.

INTEGRATED GREEN ENERGY SOLUTIONS LTD
ABN 23 003 669 163
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED GREEN ENERGY SOLUTIONS LTD

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 17 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of Integrated Green Energy Solutions Limited for the year ended 30 June 2019 complies with s 300A of the *Corporations Act 2001.*

INTEGRATED GREEN ENERGY SOLUTIONS LTD
ABN 23 003 669 163
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED GREEN ENERGY SOLUTIONS LTD

Responsibilities

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

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 30 September 2019

ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange Limited Listing Rules and not disclosed anywhere else in these accounts.

1. SHAREHOLDING

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 30 September 2019:

Category (Size of Holding)			Number of Shareholder	% Holding	Number of Ordinary	% Holding
1	-	1,000	815	39.64	165,108	0.04
1,001	-	5,000	427	20.77	1,147,993	0.28
5,001	-	10,000	155	7.54	1,244,919	0.30
10,001	-	100,000	453	22.03	17,242,296	4.15
100,001	-	and over	206	10.02	396,151,711	95.23
			2,056	**100.00**	**415,952,027**	**100.00**

Holding less than a marketable parcel	1,224

(b) Equity security holders

The names of the twenty largest holders of quoted equity securities as at 30 September 2019 are listed below:

Name of Shareholder	Ordinary Shares Held	
	Number	Percentage
SINGAPORE TRUST COMPANY PTE LTD <PUREBLOODS SG A/C>	112,830,042	27.13%
REBELLY HEALTHCARE (SHANGHAI) LIMITED	57,828,394	13.90%
MAC WEALTH HOLDINGS PTE LTD <SINGAPORE A/C>	46,000,000	11.06%
CITICORP NOMINEES PTY LIMITED	13,275,694	3.19%
EXPONENTIAL HOLDINGS PTY LTD <EXPONENTIAL HOLDGS UNIT A/C>	10,084,062	2.42%
MS AMY CARMEN SACCO	7,684,062	1.85%
CVO FAMILY INVESTMENTS PTY LTD <CVO FAMILY INVESTMENTS A/C>	7,664,062	1.84%
HEALEY SUPER PTY LTD <HEALEY SUPERANNUATION A/C>	5,634,062	1.35%
SOLID ENERGY TECHNOLOGIES PTY LTD	5,119,995	1.23%
FREESTUN INVESTMENTS PTY LTD <THE FREESTUN A/C>	4,704,918	1.13%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,563,777	1.10%
MAC WEALTH HOLDINGS PTY LTD <MAC WEALTH HOLDINGS A/C>	4,556,550	1.10%
DMF CONSTRUCTION PTY LTD	3,845,599	0.92%
ALPHA DARLING PTY LTD <ALPHA DARLING DISC A/C>	3,752,398	0.90%
MR GARRY ROALD OHLSON & MRS KATE LOUISE OHLSON <SVENSKA SEAMANS RE	3,368,456	0.81%
E2E CONSULTING PTY LTD <INFLUENCE INVESTMENT A/C>	3,063,417	0.74%
NEEMS HOLDINGS PTY LTD <NEEMS FAMILY A/C>	2,846,068	0.68%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,810,999	0.68%
MCINTOSH & ASSOCIATES PTY LTD <DAVID MCINTOSH FAMILY A/C>	2,798,079	0.67%
M & C PALMER INVESTMENTS PTY LTD <M & C PALMER SUPER FUND A/C>	2,633,795	0.63%
	305,064,429	**73.34%**

ADDITIONAL ASX INFORMATION

(c) Substantial holders
The names of the substantial shareholders listed in the Company's register as at t30 September 2019 are:

Name of Shareholder	Number of Ordinary Shares
SINGAPORE TRUST COMPANY PTE LTD <PUREBLOODS SG A/C>	112,830,042
REBELLY HEALTHCARE (SHANGHAI) LIMITED	57,828,394
MAC WEALTH HOLDINGS PTE LTD <SINGAPORE A/C>	46,000,000

(d) Unquoted equity holdings

	Number on issue	Number of holders
Options over ordinary shares issued	218,995,611	51

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

Holders of ordinary shares carry the same voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Converting redeemable preference shareholders and Option holders have no voting rights.

There are no other classes of equity securities.