Appendix 4E and Annual Report

1. Details of reporting period

Reporting period:	12 months ended 31 December 2020
Previous corresponding period:	12 months ended 31 December 2019

2. Results for announcement to the market

	12 months ended 31 December 2020 $	12 months ended 31 December 2019 $	% Change
Revenues from ordinary activities	**1,882,665**	1,144,204	65%
Loss from ordinary activities after tax attributable to members	**(493,313)**	(1,874,882)	74%
Loss for the period attributable to members	**(493,313)**	(1,874,882)	74%
Net tangible asset per share	**0.0002**	0.0002	-

3. Dividends/distributions

No dividends were paid during the period, or in the prior period, and no dividends are proposed to be paid.

4. Details of entities over which control has been gained or lost during the period

During the reporting period, the Company subscribed for 23 new shares at $50,000 per share in its 54% owned subsidiary EcoQuip Australia Pty Limited and its controlled entities (EcoQuip). The $1,150,000 investment in EcoQuip increased the Company's ownership interest from 54% as at 31 December 2019 to 67% as at 31 December 2020. Further details are included in the accompanying Annual Report.

5. Commentary on results for the year

Refer to the attached Annual Report.

6. Status of the audit

The attached Annual Report has been audited.

For and on behalf of the Board of Volt Power Group Limited.

Simon Higgins
Chairman
Perth
Dated: 26 February 2021

VOLT POWER GROUP LIMITED

ABN 62 009 423 189

ANNUAL REPORT

For the year ended 31 December 2020

Contents

Corporate Directory

ABN: 62 009 423 189

Directors
Simon Higgins
Non-Executive Chairman

Adam Boyd
CEO and Managing Director

Peter Torre
Non-Executive Director

Company Secretary
Peter Torre

Principal place of business
63 Abernethy Road
Belmont WA 6104
ph (08) 9437 4966

Registered office
Unit B9, 431 Roberts Road
Subiaco WA 6008

Share register
Link Market Services Pty Ltd
Level 12
250 St George's Terrace
Perth WA 6000

Auditor
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors
Thomson Greer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Bankers
Commonwealth Bank of Australia
Corporate Financial Services
Level 14C, 300 Murray Street
Perth WA 6000

Stock Exchange Listings
Australian Securities Exchange (ASX)
ASX Code: VPR

Website
www.votlpower.com.au

Corporate Governance Statement
Volt Power Group Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Volt Power Group Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2020 corporate governance statement is dated as at 26 February 2021 and reflects the corporate governance practices in place throughout the financial year. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at www.voltpowergroup.com.au/about.

Corporate and Operational Review
The directors provide you with the following corporate and operational review of the consolidated entity (referred to hereafter as the Group) consisting of Volt Power Group Limited ("Volt" or "the Company") and the entities it controlled at the end of, or during, the year ended 31 December 2020.

1. Summary
(a) Operations

Corporate

The salient Corporate activities during the period included:

- In March 2020, the Company subscribed for 1 new share at $50,000 per share in its 54% owned subsidiary EcoQuip Australia Pty Limited and its controlled entities (EcoQuip). The $50,000 investment in EcoQuip increased the Company's ownership interest to 55%. In the period from July to October 2020, the Company subscribed for 22 new shares in EcoQuip for $1,100,000. EcoQuip's founder and minority shareholder subscribed for 2 new shares during the same period for $87,500. This net change in the issued capital of EcoQuip increased the Company's ownership interest to 67% as at 31 December 2020. EcoQuip applied the new funding to the ongoing development of its "next generation" Mobile Solar Light & Communications Tower solution and for working capital purposes.
- The Company continued to pursue its previously advised WA Supreme Court Claim against the Wescone vendor for misleading and deceptive conduct (Wescone Claim). The Wescone vendor failed to disclose to the Company that BHP conducted a performance trial of the Wescone W300/3 crusher in 2015 (2015 BHP W300/3 Performance Trial). The 2015 BHP W300/3 Performance Trial crusher failed after only 6-weeks operation and at the time BHP advised Wescone that the W300/3 was no longer a viable technical solution for BHP. Further, that it had commenced an evaluation process to displace the Wescone W300 crusher with an alternative crushing solution.
- In October 2020, the WA Supreme Court trial to hear the Wescone Claim (Trial) commenced with the initial 8-day trial period (Initial Trial Period) completed. New trial dates were scheduled in January and February 2021 to complete the Trial. After the Initial Trial Period, the parties agreed to undertake a third mediation process seeking to secure a commercial settlement of the Wescone Claim. The scheduled January 2021 trial dates were vacated to facilitate mediation negotiations. As at the date of this report the third mediation has failed to achieve a settlement solution.

  In February 2021, the Company and Wescone vendor(s) agreed terms for the settlement of all outstanding claims in the proceedings in connection with the Wescone Claim without admission of fault by any party. The terms of the settlement provide for the payment to Volt of $1.3 million in two instalments (Settlement Sum). The first instalment was received by Volt on 16 February 2021. The second and final instalment is to be paid no later than 19 August 2021. The Wescone vendor has granted security in favour of Volt over two commercial properties to secure the second instalment. The settlement arrangements also terminate the Wescone royalty agreement.

ATEN (100% owned)

The ATEN technology achievements during the period comprise:

- During 2020, the Company continued extensive business development activity to promote the technical, commercial and zero-emission benefits of the ATEN waste heat to power technology to major resource and electricity sector power generation asset owners.
- In April 2020, the Company secured arrangements with a significant resource sector business (Power Station Owner) to complete Stage 1 of a two-stage feasibility study to install and ATEN Waste Heat to Power solution at an existing power station located in Western Australia (WA ATEN Feasibility Study).

- In July 2020, the Company completed and lodged an Australian Innovation Patent Application over unique design innovations that comprise the ATEN Waste Heat to Power technology. In December 2020, the ATEN Innovation Patent was granted after successfully navigating the examination and certification process.
- In September 2020, the Company completed the Stage 1 WA ATEN Feasibility Study. The study was a comprehensive body of engineering design, equipment selection, commercial delivery and performance due diligence & cost estimation completed with the support of globally significant OEM equipment suppliers and Volt substantial shareholder and ATEN EPC Contract delivery partner, GenusPlus Group (Genus).
- The Stage 1 WA ATEN Feasibility Study results confirmed the technical and commercial value performance benefits of the proposed WA ATEN project were compelling. The benefits include:
  - A 20% lower LCOE* than the variable cost of the existing gas fueled generation at a gas price of $4/GJ;
  - $44/MWh LCOE* which equates to a ~50% lower LCOE* than a generation equivalent 47MW Solar / 23MWh Battery Energy Storage System (Solar / BESS);
  - 62,500 tCO2 per annum abatement – at a LCOE* saving of $4.6 million per annum compared to a generation equivalent Solar / BESS system;
  - Zero water and personnel attendance requirements; and
  - Hydrogen fuel co-firing compatibility.
- The Power Station Owner reviewed the Stage 1 WA ATEN Feasibility Study. The parties continued to work closely to clarify regulatory standard requirements and the scope & cost requirements for the completion of a Stage 2 WA ATEN Feasibility Study capable of supporting final investment decision subject to the results of this ‘ Stage 2’ study.
- The Company & Genus advanced our alliance arrangements for the EPC contract delivery of the ATEN Waste Heat to Power projects by Genus. Genus is a national power and communications infrastructure construction & maintenance group with ~500 employees. Genus is also a substantial shareholder of the Company (5.1%).
- We remain highly confident that the Company's ATEN Waste Heat to Power technology is the lowest cost, zero emission power generation solution available where an appropriate waste heat resource is available for exploitation.
- The Company continues to engage with multiple potential customers promoting the significant baseload, zero emission, lowest LCOE [1] power generation opportunity ATEN Waste Heat to Power delivers.

  [1] Levelised Cost of Energy (LCOE) is based on zero emission capacity and variable costs of hydrocarbon fueled generation using ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life

Wescone (100% owned)

Wescone salient activities and outcomes during the period comprised:

- The Wescone business has achieved a significant increase in operating and cashflow performance during the period.
- Wescone is the owner of the proprietary and unique W300 sample crusher installed extensively in port loading and assays system infrastructure utilized by the global iron industry and metallurgical laboratory sector.
- In August 2020, Wescone secured a 5-year purchase service exchange & repair contract with BHP (BHP Goods Contract). The BHP Goods Contract provides for the replacement of ~20 existing installed crushers with the new Wescone W300 Series 4 crusher and the exclusive provision of ongoing repair / service exchange related service for 5-years. This was an exceptional achievement during a difficult period for the Company.
- The estimated new average annual sales revenue generated by the BHP Goods Contract over its 5-year term is forecast at ~$1.4 million. Wescone is also in discussions with other parties for the supply and service of the Wescone W300 Series 4 crusher.
- During 2020, Wescone sold 8 new W300 Series 4 crushers to BHP and completed multiple crusher maintenance related refurbishments for its Australian client base. This delivered Wescone an increase in sales revenues to ~$1.5 million compared to ~$0.5 million during 2019. At the time of writing this report, Wescone has received a further 5 purchase orders for the sale of Wescone W300 Series 4 crushers for delivery during Q1 and Q2 2021.
- Wescone anticipates further new Wescone W300 Series 4 crusher sales to BHP will occur in 2021.

- The Wescone business is continuing to explore new growth opportunities into offshore markets through developing new relationships and exclusive distribution arrangements.
- Volt acquired the Wescone business in January 2018 from a private vendor. Wescone had successfully supplied proprietary crushers to the iron ore industry for more than 20-years. On 4 January 2019, the Company announced that it had filed a Writ against the vendor of Wescone (Wescone Vendor) seeking an order that the agreement providing for the sale and purchase of Wescone is void by reason of misleading and deceptive conduct and further or alternatively, damages for contravention of the Competition and Consumer Act 2010 (Cth) and breach of contract as well as interest and costs (Wescone Claim). The Supreme Court trial commenced in October 2020.
- In February 2021, the Company and the Wescone Vendor agreed terms for the settlement of all outstanding claims alleged in proceedings in connection with the Company's 2018 acquisition of the Wescone business (Settlement). The Settlement terms provide for the payment to Volt of $1.3 million in two instalments (Settlement Sum). The first instalment in the amount of $1.0 million was paid on 16 February 2021. The second and final instalment will be paid no later than 19 August 2021. The Wescone Vendor has granted a security over two commercial properties to secure the second instalment.

EcoQuip Australia Pty Ltd (EcoQuip) (67% owned)

EcoQuip salient achievements and activities to the date of this report include:

- EcoQuip has developed an innovative and market disruptive Mobile Solar Light Tower (MSLT) and Mobile Solar Communications Tower (MSCT) solution with the reliability and power budget to out-perform and displace diesel fueled light tower alternatives and provide "best in class" mobile Wi-Fi mesh network reinforcement for autonomous mining systems respectively.
- The use of MSLT / MSCT type equipment in the EcoQuip target resources and construction markets is extensive globally with thousands of units deployed in Australia alone.
- The EcoQuip MSLT is a disruptive, zero emission, zero OPEX, zero maintenance & zero refueling solution that provides for Scope 1 emission reduction and a compelling cost / value proposition to potential customers. The EcoQuip revenue model comprises a monthly rental tariff that is ~50% cheaper than the combined hire and OPEX costs of mobile diesel fueled light towers.
- The business achieved an average 55% utilization rate of its existing Mobile Solar Light / Communications Tower (MSLT / MCST) fleet.
- During 2020, the Company increased its ownership of EcoQuip from 54% to 67% by providing $1.15 million in new equity funding to the EcoQuip business for the finalization of the development of the new EcoQuip power management, data and telemetry controller (EPMTC) and to part fund the manufacture of 20 new Mobile Solar Light Tower (MSLT) Gen4 units.
- EcoQuip also completed the development of the new proprietary EPMTC and associated MSLT Gen4 design modifications to significantly enhance charge efficiency, power budget reliability and performance, touch screen operator interface, data capture and analytics, geo-fencing and sector control performance programming, cloud-based customer remote control and information interface system and eliminating any requirement for operator presence other than fault or deployment/recovery.
- During 2020, two separate MSLT Gen4 hire trials were undertaken at the Chevron operated Gorgon LNG Project on Barrow Island, WA. The initial trial which commenced in late 2019 was successfully completed. EcoQuip thereafter made some site-specific modifications to the MSLT Gen4 and installed the new EPMTC on six MSLT Gen4 units that were deployed in the second trial in December 2020. This trial is ongoing with all five MSLT Gen4 units deployed achieving operational performance and power budget resilience beyond EcoQuip's expectations. We are highly encouraged by Chevron's apparent industry leadership and commitment to Carbon Intensity reduction.
- In July 2020 after the conclusion of the first MSCT Gen4 hire trial at the Chevron operated Gorgon LNG Project, EcoQuip was awarded the 2020 Chevron Harry Butler Environment Award.
- The 2019 MSCT Gen4 demonstration deployment with Thiess Contracting as part of an autonomous drilling system trial with Caterpillar has continued with great success. The deployment has achieved outstanding performance with 100% availability and reliability of all 4 MSCT Gen4 units deployed. During the deployment period of ~18 months all four units deployed at Thiess Contracting operations have not required operator intervention other than for change of location.

- The EcoQuip MSCT units hired by Thiess Contracting are providing mobile Wi-Fi mesh reinforcement / point to point microwave and CCTV solution support. Thiess operational personnel have provided significant positive feedback with respect to the reliable performance of the EcoQuip solution.
- The BHP MSLT Gen4 trial located at the BHP Pilbara Iron Ore operations initiated in 2019 wrapped up after a 15-month demonstration trial. The BHP operational personnel evaluation was completed with significant positive feedback. We understand this positive feedback was provided to management. The Company is continuing to seek to work actively with BHP to secure a BHP commitment to displace diesel fueled light towers with the EcoQuip MSLT Gen4.
- In late 2020, The Australian Division of global power generation and energy equipment supplier, Aggreko Plc (Aggreko) successfully completed a technical performance and reliability review of the EcoQuip MSLT Gen4. EcoQuip and Aggreko are now working through the potential opportunity to work together to facilitate the accelerated deployment of the EcoQuip MSLT Gen4.
- Various EoI submissions have been made to resource sector businesses for the supply of MSCT and MSLT solutions to support mine site lighting, environmental monitoring and autonomous mining & drilling system infrastructure integration.
- During 2020, EcoQuip filed two provisional patent applications. The first provisional patent application covers a mechanical innovation that achieves operational and safety enhanced performance of the new EcoQuip MSLT Gen4. The second provisional patent application covers the recently completed EcoQuip power management, data and telemetry controller (EPMTC). The EPMTC has multiple design features and innovations not historically applied to solar light and communications tower systems.

(b) Financial performance and financial position

The financial results of the Group for the year ended 31 December 2020 are summarised as follows:

	2020	2019	Change
	$	$	%
Revenue	**1,882,665**	1,144,204	65%
Profit/(loss) for the period attributable to members	**(493,313)**	(1,874,882)	74%
Profit/(loss) per share	**(0.0054)**	(0.0225)	76%
Cash and cash equivalents	**666,492**	1,287,705	(48%)
Net tangible assets per share	**0.0002**	0.0002	-

As noted above, in August 2020, Wescone secured a 5-year purchase service exchange & repair contract with BHP (BHP Goods Contract). The BHP Goods Contract provides for the replacement of ~20 existing installed crushers with the new Wescone W300 Series 4 crusher and the exclusive provision of ongoing repair / service exchange related service for 5-years.

The estimated new average annual sales revenue generated by the BHP Goods Contract over its 5-year term is forecast at ~$1.4 million, which was the primary reason for the increase in revenue from the prior period.

The Group made a loss for the year of $493,313 (2019: loss of $1,874,882), experienced net cash inflows from operating activities of $362,076 (2019: cash outflow of $31,743) and has a net asset balance of $2,180,485 (2019: $2,418,577).

The loss for the year ended 31 December 2019 included the following item of significance:

- Impairment loss on Goodwill of $1,348,219.

The impairment loss on Goodwill for the year ended 31 December 2019 was considered by the Company and its auditors in order to comply with the technical requirements of Accounting Standard AASB 136 – Impairment of Assets. The Goodwill asset previously recorded on the Company's balance sheet for Wescone ($784,828) and EcoQuip ($599,391) has been fully impaired.

Directors' Report
For the year ended 31 December 2020

The directors present their report together with the financial report of the consolidated entity (referred to hereafter as the Group) consisting of Volt Power Group Limited ("Volt" or "the Company") and the entities it controlled at the end of, or during, the year ended 31 December 2020 and the auditor's report thereon.

1. Directors

The names of the Company's directors in office during the year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

• Mr Simon Higgins	Non-Executive Chairman
• Mr Adam Boyd	Chief Executive Officer and Managing Director
• Mr Peter Torre	Non-Executive Director

2. Directors and officers

Simon Higgins – Non-Executive Chairman

Mr Higgins is currently the Chief Executive Officer and Managing Director of the ECM group of companies. ECM is a leading, privately owned construction and maintenance company servicing clients in the mining, oil and gas, power generation and infrastructure sectors.

During his tenure at ECM, Mr Higgins has overseen significant growth and development, including the diversification of service offering, entry into the oil and gas sector and interstate and intrastate expansion.

Mr Higgins is a past chairman of the National Electrical and Communications Association (NECA) WA, Electrical Group Training and the College of Electrical Training.

Other current and former directorships in last 3 years

None

Special responsibilities

Chairman of the board

Interests in shares and options

801,000,000 ordinary shares in Volt Power Group Limited
Nil options in Volt Power Group Limited

Adam Boyd – Chief Executive Officer and Managing Director

Mr Boyd served as Chief Executive Officer and Managing Director of Pacific Energy Limited (ASX: PEA) from June 2006 to March 2015. During his tenure at Pacific Energy Limited, Mr Boyd led the company to becoming the pre-eminent remote mine site contract power business in Australia, with a 250 MW generation footprint across Australia. During this period Pacific Energy's enterprise value increased from $9 million to approximate $250 million.

Prior to joining Pacific Energy Limited, Mr Boyd was a senior executive with Global Renewables Group when it was jointly owned by GRD Limited and Hastings Fund Management Limited. During that tenure Mr Boyd was principally involved in the successful commercialisation of the Global Renewables alternative waste treatment and renewable energy process technology in Australia and the United Kingdom.

Mr Boyd is an infrastructure and energy specialist with considerable experience in areas of resource sector power generation, energy and waste infrastructure project development, business development and business acquisitions, technology commercialisation, public company management and equity and credit finance.

Other current and former directorships in last 3 years

None.

Special responsibilities

None

Interests in shares and options

1,598,000,000 ordinary shares in Volt Power Group Limited
175,000,000 options in Volt Power Group Limited

Peter Torre - Non-Executive Director and Company Secretary
Mr Peter Torre is a chartered accountant, a chartered secretary and a member of the Australian Institute of Company Directors.

Mr Torre is the principle of Torre Corporate, an advisory firm which provides corporate secretarial services to a range of ASX listed companies. He was previously a partner of an internationally affiliated firm of chartered accountants working within its corporate services division.

Mr Torre is also the Company Secretary of the Company.

Other current and former directorships in last 3 years
Currently a director of Mineral Commodities Ltd, Connexion Telematics Ltd and VEEM Ltd. Was previously a director of Zenith Energy Limited up until September 2020.

Special responsibilities
None

Interests in shares and options
55,000,000 ordinary shares in Volt Power Group Limited
Nil options in Volt Power Group Limited

3. Directors' meetings

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Name	Meetings held	Meetings attended
Simon Higgins	5	5
Peter Torre	5	5
Adam Boyd	5	5

The size of the Board assists in facilitating the frequent informal meetings of the directors to control, implement and monitor the Company's activities throughout the year. Furthermore, the Company's CEO is in frequent discussions with the directors relevant to the key business decision of the Company's operations. Matters of Board business have been resolved by a number of circular resolutions which are a record of decisions made at such informal meetings held throughout the year.

4. Principal activities

The principal activities of the Group during the financial year were:

ATEN (100% owned)

- Further development of the ATEN 'Waste Heat to Power" technology flowsheet design specifically for open cycle turbine generation asset retro-fit to maximise baseload, zero emission electricity generation performance and reduce capital installation and operating costs.
- Extensive business development activities including site specific scoping studies aimed at securing commercial arrangements to install the Company's first ATEN 'Waste Heat to Power' facility in Australia.
- Successfully completed Stage 1 of a proposed two stage Feasibility Study to install the ATEN Waste Heat to Power solution at an existing power station located in Western Australia.

EcoQuip (67% owned)

- The continued design development of a new innovative EcoQuip Mobile Solar Light & Communications Tower solution incorporating robust design features including high quality solar / lithium battery power management system, autonomous telemetry, control system and GPS capability (MSLT Gen4).
- Deployment of the existing EcoQuip Mobile Solar Light Tower (MSLT) fleet to achieve maximum possible hire utilisation for the period.
- Completion of 20 new MSLT Gen4 units component manufactured in the USA and assembled in Australia.
- Demonstration deployment of the EcoQuip MSLT & MSCT Gen4 to major potential users in the resources and construction sectors.

- Negotiation of commercial terms for the long-term deployment of EcoQuip MSLT & MSCT equipment in the Australian market.

Wescone (100% owned)

- The operation of the Wescone business – the owner of the Wescone W300 sample crusher predominantly deployed throughout the global iron ore and assay laboratory industry.
- Completion of manufacture of ~15 new Wescone W300 Series 4 sample crusher.
- Negotiation of commercial terms for the deployment of the Wescone W300 Series 4 crushers
- Actioning all matters required to prosecute the Company's WA Supreme Court Claim against the Wescone vendor and a related party for misleading and deceptive conduct seeking an order that the agreement providing for the sale and purchase of Wescone is void by reason of misleading and deceptive conduct and further or alternatively, damages for contravention of the Competition and Consumer Act 2010 (Cth) and breach of contract as well as interest and costs (Wescone Claim).
- Pursuit satisfactory commercial settlement of the Wescone Claim.

5. Dividends

There were no dividends paid or declared by the Company to members since the end of the previous financial year.

6. Operational and financial review

Information on the operations and financial position of the group and its business strategies and prospects is set out in the corporate and operational review on pages 4 – 7 of this annual report.

7. Use of cash and assets readily convertible to cash

The Group has used its cash and assets readily convertible to cash during the period in a way that was consistent with its business objectives.

8. Significant changes in the state of affairs

There are no significant changes in the state of affairs of the Group during the financial year.

9. Events since the end of the financial year

In February 2021, the Company and the Wescone vendor reached commercial settlement of all outstanding claims alleged in the proceedings in connection with the 2018 acquisition of Volt's Wescone business without admission of liability by any party.

The settlement terms are confidential but provide for the payment to Volt of $1.3 million in two instalments (Settlement Sum).

The first instalment of $1.0 million was received by Volt on 16 February 2021. The second and final instalment will be paid no later than 19 August 2021. The Wescone vendor has granted security over two commercial properties to secure the second instalment.

The settlement arrangements also provide for the termination of a royalty agreement pursuant to which the Wescone vendor was entitled to royalty payments above a specific revenue threshold.

There are no other events that occurred subsequent to the reporting period ending, that would have a material impact on the financial statements as at 31 December 2020.

10. Likely developments and expected results of operations

The following events are likely to occur over the coming year:

- Progress towards the installation of the first ATEN waste heat to power technology at a power station.
- Expansion of the EcoQuip MSLT Gen4 fleet in both light and communications tower variants and deployment of an expanded fleet in resource sector and construction markets in Australia and USA.
- Continued repair and sale deployment of the proprietary Wescone W300 crusher in Australia and internationally.

11. Environmental regulation

The Group is subject to environmental regulation in respect of any continuing operations. There have been no significant known breaches of any environmental regulations to which the Group is subject.

12. Remuneration report (audited)

This Remuneration Report sets out information about the remuneration of the key management personnel (KMP) of the Company and its controlled entities for the year ended 31 December 2020. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001.

The Report details the remuneration arrangements for the Group's key management personnel:

- Non-executive directors (NED's); and
- Executive directors and senior executives (collectively the Executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and the Group.

The report is structured as follows:

(a) Key Management Personnel (KMP) covered in this report
(b) Remuneration policy, link to performance and elements of remuneration
(c) Link between remuneration and performance
(d) Contractual arrangements for executive KMP
(e) Remuneration expenses for executive KMP
(f) Non-executive director arrangements
(g) Share-based compensation
(h) Other statutory information

(a) Key Management Personnel (KMP) covered in this report

The table below outlines the KMP of the Group covered in this report.:

Name	Position	Term as KMP
Non-executive directors		
Mr Simon Higgins	Non-Executive Chairman	Appointed 28 April 2017
Mr Peter Torre	Non-Executive Director	Appointed 28 April 2017
Executives		
Mr Adam Boyd	CEO and Managing Director	Appointed 28 April 2017

Changes since the end of the reporting period

There have been no changes to the non-executive directors and other key management personnel covered in this report since the end of the reporting period.

(b) Remuneration policy, link to performance and elements of remuneration

The Company's remuneration committee is comprised of the Chairman and a non-executive director. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs and meets the remuneration principles. In particular, the board aims to ensure that remuneration practices are:

(i) competitive and reasonable, enabling the company to attract and retain key talent,
(ii) aligned to the company's strategic and business objectives and the creation of shareholder value,
(iii) transparent and easily understood, and
(iv) acceptable to shareholders.

During the reporting period, no payments were made to a person before the person took office as part of the consideration for the person agreeing to hold office.

Non-executive directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

Presently no element of non-executive director remuneration is 'at risk', that is, fees are not based on the performance of the Company or equity based.

Executive management
Executive management have authority and responsibility for planning, directing and controlling the activities of the company. Compensation levels for executive management of the Company are set competitively to attract and retain appropriately qualified and experienced senior executives.

The compensation structures for executives are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of the creation of value for shareholders. The compensation structure takes into account the executives' capability and experience, level of responsibility and ability to contribute to the Company's performance, including the establishment of revenue streams and growth in shareholder returns.

Fixed compensation consists of a base salary or fee (calculated on a total cost basis, including any fringe benefits tax related to employee benefits) as well as employer contributions to superannuation funds. The board through a process that considers individual and company achievement reviews compensation levels annually.

(c) Link between remuneration and performance
The Group has in place an Incentive Option Scheme (long-term incentive (LTI) scheme), the purpose of which is to:

(i) encourage participation by Eligible Participants in the Company through Share ownership; and
(ii) attract, motivate and retain Eligible Participants.

At present the Group does not have any short-term incentive (STI) scheme, but the remuneration committee will consider this in due course.

Options were issued to the Managing Director as part of his package, which represent performance linked remuneration.

Key performance indicators of the group over the last five years:

	Y/E 2020	Y/E 2019	Y/E 2018	Y/E 2017	Y/E[1] 2016
NPAT $m	(0.588)	(1.889)	(4.773)	2.626	(2.548)
Share price $	0.003	0.001	0.002	0.004	0.005
Dividend paid	-	-	-	-	-
EPS $	(0.005)	(0.023)	(0.056)	0.068	(0.444)

[1] Shares in the Company were suspended from trading on the ASX prior to market open on 18 October 2016. The closing price on 17 October 2016 was $0.005 per share.

(d) Contractual arrangements for executive KMP
Managing Director
In 2017, the Group appointed Mr Adam Boyd as Managing Director and Chief Executive Officer. Mr Boyd is contracted to the Company through his private company, and the contract does not have a fixed timeframe.

The termination provisions in the contract are as follows:

	Resignation	Termination for cause	Termination by redundancy or notice without cause
MD notice period (by Company or executive)	1 month	None	3 months[1]

[1] The notice period is increased by one month for each completed year of service.

The terms of his remuneration package are as follows:

1. The Company shall pay a fee of $360,000 per annum.
2. The Company shall issue to Mr Boyd (or his nominee):
    a. 175,000,000 Options[2] exercisable at 0.15 cents each and expiring 36 months after the date of issue (Tranche 1); and
    b. 175,000,000 Options[2] exercisable at 0.20 cents each and expiring 48 months after the date of issue (Tranche 2).

3. In consideration for Mr Boyd agreeing to join the board of the Company, the Company will provide Mr Boyd or his nominee with the opportunity to subscribe for up to 800,000,000 Shares at $0.001 per Share pursuant to the Capital Raising.

[2] The options have a vesting period of 12 months for Tranche 1 and 24 months for Tranche 2.

Options issued to Mr Boyd will vest subject to him being continuously employed by the Group for a period of 12 months, in the case of Tranche 1 options, and for a period of 24 months in the case of Tranche 2 options.

No fees were paid to Mr Boyd relating to the 12-month period ended 31 December 2020. However, on 22 May 2020, Mr Boyd exercised 175,000,000 options at an exercise price of $0.0015 per option, which was offset against directors' fees owing.

(e) Remuneration expenses for executive KMP

The following table shows the details of the remuneration expense recognised for the group's executive key management personnel for the current and previous financial year measured in accordance with the accounting standards.

Name	Year	Salary & fees	Post employ-ment benefits	Non-mone-tary benefits	Termin-ation benefits	Rights to deferred shares	Options	Total	Perform-ance related
Adam Boyd	**2020**	**360,000**	**-**	**-**	**-**	**-**	**-**	**360,000**	**-**
	2019	360,000	-	-	-	-	25,201	385,201	7%
Total executive KMP	**2020**	**360,000**	**-**	**-**	**-**	**-**	**-**	**360,000**	**-**
	2019	360,000	-	-	-	-	25,201	385,201	7%

(f) Non-executive director arrangements

Non-executive directors are paid base fees only, which are fixed by the Board.

There is no additional fee for serving on board committees. They do not receive performance-based pay or retirement allowances. Fees are reviewed annually by the board with the level of Directors' remuneration being set having regard to independent survey data and publicly available information about fees paid to non-executive directors in a range of comparable companies.

The Directors are entitled to be reimbursed for all travel and related expenses properly incurred in connection with the business of the Company. The Company makes contributions at the statutory minimum rate to superannuation funds nominated by directors, included in the base fee.

The total amount of remuneration, including superannuation, for all non-executive directors must not exceed the limit approved by shareholders. The aggregate cash remuneration of all non-executive directors was set at $400,000 per annum at a general meeting held on 1 December 2009. During the period Mr Simon Higgins and Mr Peter Torre held the position of Non-Executive Directors. The terms of their appointment are as follows:

- Mr Higgins – For his services as a Non-Executive Director and Chairman of the Company, the Company will pay him an all-inclusive annual fee as is determined by the Board and approved by shareholders from time to time during his appointment. The monthly fee payable is payable in arrears and will be initially set at $4,166.67 excluding GST. This equates to an annual fee of $50,000 excluding GST, commencing 1 May 2017.
- Mr Torre – For his services as a Non-Executive Director and Chairman of the Company, the Company will pay him an all-inclusive annual fee as is determined by the Board and approved by shareholders from time to time during his appointment. The monthly fee payable is payable in arrears and will be initially set at $3,330 plus GST. This equates to an annual fee of $39,960 plus GST, commencing 1 May 2017.

Details of the nature and amount of each major element of remuneration are set out below:

	Year	Short-term benefits	Post employment	Total
Simon Higgins	**2020**	**50,000**	**-**	**50,000**
	2019	50,000	-	50,000
Peter Torre	**2020**	**39,960**	**-**	**39,960**
	2019	39,960	-	39,960
Total non-executive directors	**2020**	**89,960**	**-**	**89,960**
	2019	**89,960**	**-**	**89,960**

(g) Share-based compensation

On 24 May 2017, 350,000,000 options were granted to the Managing Director as part of his remuneration package. Further details are provided under contractual arrangements for executive KMP above.

The board does not have a policy that restricts the holders of securities issued as share based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases.

Other than noted above no terms of equity-settled share-based payment transactions (including options granted as compensation to a key management person or director) have been altered or modified by the Company during the reporting period.

On 22 May 2020, Mr Boyd exercised 175,000,000 options at an exercise price of $0.0015 per option.

(h) Other statutory information

The following tables show the relative proportions of remuneration that are linked to performance and those that are fixed based on the amounts disclosed as statutory remuneration expense in (e) and (f) above.

(i) Proportions of remuneration linked to performance

		Fixed	At risk STI	At risk LTI
Non-executive directors				
Simon Higgins	**2020**	**100%**	**-**	**-**
	2019	100%	-	-
Peter Torre	**2020**	**100%**	**-**	**-**
	2019	100%	-	-
Executive KMP				
Adam Boyd	**2020**	**93%**	**-**	**-**
	2019	80%	-	7%

(ii) Reconciliation of ordinary shares and options held by KMP

Shareholdings

The number of shares in the Company held during the financial year by each director and other key management personnel of the Group, including their personally related parties, are set out below.

Name	Balance at start of the year	Granted as compensation	Acquired for cash	Options exercised	Other changes	Balance at the end of the year
Non-executive directors						
Simon Higgins	801,000,000	-	-	-	-	801,000,000
Peter Torre	55,000,000	-	-	-	-	55,000,000
Executive KMP						
Adam Boyd	1,440,000,000	-	-	175,000,000	(17,000,000)	1,598,000,000

Options

The number of options over ordinary shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group, including their personally related parties, are set out below:

	Balance at start of year			Vested			Forfeited			Balance at end of year	
Name	Vested and exercisable	Unvested	Granted as compensation	Number	%	Exercised	Number	%	Other changes	Vested and exercisable	Unvested
S Higgins	-	-	-	-	0%	-	-	0%	-	-	-
P Torre	-	-	-	-	0%	-	-	0%	-	-	-
A Boyd	350,000,000	-	-	350,000,000	100%	(175,000,000)	-	0%	-	175,000,000	-

(iii) Loans to key management personnel

During the year, there were no loans made to directors of the Company or any other key management personnel of the Group, including any related parties.

(iv) Other transactions with key management personnel

There were no other transactions with key management personnel during the year.

(v) Reliance on external remuneration consultants

The Board have not sought any recommendations from external remuneration consultants. Remuneration levels for Directors and KMP are reviewed annually by the Board with the level of Non-Executive Directors' remuneration being set having regard to independent survey data and publicly available information about fees paid to non-executive directors in a range of comparable companies.

(vi) Voting of shareholders at last year's annual general meeting

Volt Power Group Limited received more than 99.58% of "yes" votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

(vii) Remuneration received

The amounts disclosed in the table below as Executive KMP remuneration for the 2020 year reflect the actual benefits received by each KMP during the reporting period. The remuneration values disclosed below have been determined as follows:

Fixed remuneration

Fixed remuneration includes base salaries received, payments made to superannuation funds, the taxable value of non-monetary benefits received and any once-off payments such as sign-on bonuses or termination benefits.

Fixed remuneration excludes any accruals of annual or long service leave.

Short-term incentives

Cash STI benefits represent bonuses awarded and paid during the year. No cash STI's were awarded during the year.

Long-term incentives

Vested LTI benefits represent the intrinsic value of the options at the date of vesting, being the difference between the share price on that date and the exercise price payable by the KMP. No options vested during the year.

The information in this section has been audited, together with the rest of the Remuneration Report.

This is the end of the Remuneration Report

13. Shares under option

(a) Unissued ordinary shares

Unissued ordinary shares of Volt Power Group Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of options	Number under option
24 May 2017	23 May 2021	0.0020	175,000,000
9 November 2017	8 November 2021	0.0045	20,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Included in these options were options granted as remuneration to the directors and the five most highly remunerated officers during the year. Details of options granted to key management personnel are disclosed in the remuneration report above. In addition, the following options were granted to officers who are among the five highest remunerated officers of the Company and the Group, but are not key management persons and hence not disclosed in the remuneration report:

Name of Officer	Date granted	Issue price of options	Number of options granted
Tim Banner – Lead Process Engineer	9 November 2017	0.0045	20,000,000

No options were granted to the directors or any of the five highest remunerated officers of the Company since the end of the financial year.

(b) Shares issued on the exercise of options

175,000,000 shares were issued during the year ended 31 December 2020 on the exercise of options.

14. Insurance of officers

During the financial year, the Company paid a premium to insure the directors and secretaries of the Company and its Australian-based controlled entities. The Group has not disclosed the premium paid for the insurance policy as there is a confidentiality condition contained in the contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

15. Proceedings on behalf of the Company

No person has applied to the court under section 237 of the Corporations Act 2001 for leave 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

16. Non-audit services

The Company may decide to employ the auditor (BDO) on assignments additional to their statutory audit duties where the auditor's experience and expertise with the Company and/or the Group are important.

During the year ended 31 December 2020 and 2019, the Company did not pay the auditor for any non-audit services.

The Board of Directors is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

17. 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 18.

This report is made in accordance with a resolution of directors.

Simon Higgins
Chairman
Perth
Dated: 26 February 2021

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF VOLT POWER GROUP LIMITED

As lead auditor of Volt Power Group Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Volt Power Group Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

26 February 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Note	**2020** **$**	2019 $
Revenue from trading activities	7	**1,882,665**	1,144,204
Cost of sales		**(304,298)**	(276,625)
Gross profit		**1,578,367**	867,579
Other income	8	**519,733**	606,711
Consultants and advisors	9	**(1,044,930)**	(437,640)
Employment benefits expense	10	**(1,083,873)**	(1,068,376)
General and administration expenses	11	**(413,599)**	(435,489)
Impairment of Goodwill	19	**-**	(1,348,219)
Operating loss		**(444,302)**	(1,815,434)
Finance income	12	**455**	1,366
Finance expenses	12	**(20,042)**	(25,074)
Finance costs - net		**(19,587)**	(23,708)
Loss before income tax expense		**(463,889)**	(1,839,142)
Income tax expense	13	**(124,203)**	(49,794)
Loss from continuing operations		**(588,092)**	(1,888,936)
Other comprehensive income/(loss) for the year, net of tax		**-**	-
Total comprehensive loss for the year		**(588,092)**	(1,888,936)
Loss for the year is attributable to:			
Minority interests		**(94,779)**	(14,054)
Owners of Volt Power Group Limited		**(493,313)**	(1,874,882)
		(588,092)	(1,888,936)
Total comprehensive loss for the year is attributable to:			
Minority interests		**(94,779)**	(14,054)
Owners of Volt Power Group Limited		**(493,313)**	(1,874,882)
		(588,092)	(1,888,936)
		cents	cents
Loss per share:			
Basic loss for the period attributable to ordinary equity holders of the parent	25(a)	**(0.0054)**	(0.0225)
Loss per share from continuing operations:			
Basic loss from continuing operations attributable to ordinary equity holders of the parent	25(a)	**(0.0054)**	(0.0225)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	14	**666,492**	1,287,705
Trade and other receivables	15	**147,183**	140,321
Inventory	16	**307,520**	367,254
Other current assets	17	**65,403**	78,487
Total current assets		**1,186,598**	1,873,767
Non-current assets			
Property, plant and equipment	18	**1,649,290**	1,060,346
Intangible assets	19	**727,751**	269,470
Total non-current assets		**2,377,041**	1,329,816
Total assets		**3,563,639**	3,203,583
Liabilities			
Current Liabilities			
Trade and other payables	20	**1,100,284**	512,515
Employee benefits liability	21	**43,183**	57,416
Interest bearing loans	22	**111,921**	100,130
Total current liabilities		**1,255,388**	670,061
Non-current liabilities			
Interest bearing loans	23	**33,697**	114,945
Deferred tax liabilities	13	**94,069**	-
Total non-current liabilities		**127,766**	114,945
Total liabilities		**1,383,154**	785,006
Net assets		**2,180,485**	2,418,577
Shareholders' Equity			
Share capital	24(a)	**73,782,092**	73,519,592
Reserves	24(c)	**5,873,546**	6,060,365
Retained losses		**(78,100,661)**	(77,607,348)
Total attributable to owners of parent		**1,554,977**	1,972,609
Non-controlling interest	33	**625,508**	445,968
Total Shareholders' Equity		**2,180,485**	2,418,577

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
As at 31 December 2020

		Attributable to owners of Volt Power Group Limited					
	Note	**Share capital** $	**Reserves** $	**Retained losses** $	**Total attributable to owners** $	**Non-controlling interest** $	**Total equity** $
At 1 January 2019		72,792,329	6,060,456	(75,732,466)	3,120,319	375,022	3,495,341
Total comprehensive loss for the year							
Loss for the year		-	-	(1,874,882)	(1,874,882)	(14,054)	(1,888,936)
		-	-	(1,874,882)	(1,874,882)	(14,054)	(1,888,936)
Transactions with owners in their capacity as owners							
Transactions with non-controlling interests		-	(45,000)	-	(45,000)	85,000	40,000
Issue of shares, net of share issue costs	24(a)	727,263	-	-	727,263	-	727,263
Share based payments	24(b)	-	44,909	-	44,909	-	44,909
		727,263	(91)	-	727,172	85,000	812,172
At 31 December 2019		73,519,592	6,060,365	(77,607,348)	1,972,609	445,968	2,418,577
At 1 January 2020		**73,519,592**	**6,060,365**	**(77,607,348)**	**1,972,609**	**445,968**	**2,418,577**
Total comprehensive loss for the year							
Loss for the year		**-**	**-**	**(493,313)**	**(493,313)**	**(94,779)**	**(588,092)**
		-	**-**	**(493,313)**	**(493,313)**	**(94,779)**	**(588,092)**
Transactions with owners in their capacity as owners							
Transactions with non-controlling interests	33	**-**	**(186,819)**	**-**	**(186,819)**	**274,319**	**87,500**
Issue of shares on exercise of options	24(a)	**262,500**	**-**	**-**	**262,500**	**-**	**262,500**
		262,500	**(186,819)**	**-**	**75,681**	**274,319**	**350,000**
At 31 December 2020		**73,782,092**	**5,873,546**	**(78,100,661)**	**1,554,977**	**625,508**	**2,180,485**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	Note	**2020** **$**	2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**2,064,069**	1,353,122
Payments to suppliers and employees (inclusive of goods and services tax)		**(2,259,064)**	(1,923,553)
Interest received		**455**	1,366
Interest paid		**(18,272)**	(25,074)
R&D tax refund		**605,022**	606,711
Income tax payment		**(30,134)**	(44,315)
Net cash inflows/(outflows) from operating activities	14(a)	**362,076**	(31,743)
Cash flows from investing activities			
Payments for property, plant and equipment		**(487,941)**	(328,126)
Payments for Intellectual Property		**(395,217)**	(236,502)
Net cash outflows from investing activities		**(883,158)**	(564,628)
Cash flows from financing activities			
Proceeds from issue of shares and other equity securities		**-**	750,000
Transaction costs on issue of shares		**-**	(22,737)
Repayment of borrowings		**(100,131)**	(116,849)
Transactions with non-controlling interests		**-**	40,000
Net cash (outflows)/inflows from financing activities		**(100,131)**	650,414
Net (decrease)/increase in cash and cash equivalents		**(621,213)**	54,043
Cash and cash equivalents at the beginning of the year		**1,287,705**	1,233,662
Cash and cash equivalents at end of the year	14	**666,492**	1,287,705

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

1. Reporting entity

The consolidated financial report of Volt Power Group Limited (the Group) and its subsidiaries for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of directors on 26 February 2021.

Volt Power Group Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's registered office is Unit B9, 431 Roberts Rd Subiaco WA 6008.

The nature of the operations and principal activities of the Group are power generation technology solutions, mobile solar powerbox towers compatible with LED lighting, LTE/WiFi repeater communication solutions and CCTV retro-fit and sample crushing equipment, all of which service the resources and construction sectors.

2. Basis of preparation

(a) General information

The financial report is a general-purpose financial report, which:

- has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity;
- has been prepared on a historical cost basis;
- is presented in Australian dollars, which is the functional currency of the Company and each of its subsidiaries;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 January 2020; and
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

(b) Going concern

For the year ended 31 December 2020, the Group recorded a net loss after tax of $588,092 (2019: $1,888,936) and had net cash inflows from operating activities of $362,076 (2019: outflows of $31,743). As at 31 December 2020 the Group had cash and cash equivalents of $666,492 (31 December 2019: $1,287,705 and a working capital deficit of $68,790 (31 December 2019: working capital excess of $1,203,706).

The Group's ability to continue as a going concern is dependent upon its ability to generate cash flow through its business operations and the ability to raise additional finance from debt or equity if and when required to contribute to the Group's working capital position. The Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives.

In addition to the above, the World Health Organisation announced that the Coronavirus (COVID-19) had become a pandemic on 11 March 2020. The impact of the COVID-19 pandemic is ongoing and whilst it has had no financial impacts for the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually changing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. The full impact of COVID-19 and timing of easing of restrictions continues to evolve. At the reporting date, it is uncertain what the effect will be on the Group and potentially it will have a post balance date impact. The Directors are continuing to explore alternative options in an effort to mitigate the possible impacts of COVID-19.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report. The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- If required, the Board will seek to raise additional finance from debt or equity if and when required to contribute to the Group's working capital position in the near term;
- On 5 August 2020, the Company announced that BHP and Wescone had entered into a 5-year Purchase Service Exchange Contract (BHP Contract). Under the BHP Contract, the BHP Iron Ore business will purchase ~20 new Wescone W300 Series 4 crushers to displace their installed sample crusher fleet at BHP Iron Ore Pilbara located port, mine and metallurgical laboratory infrastructure;
- The Group anticipates an R&D tax incentive receipt in the coming period; and
- If required, the Board would implement relevant measures and scale back certain activities that are non-essential so as to conserve cash.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control.

Consolidation of the subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a debit balance.

(b) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. Acquisition-related costs are expensed as incurred.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentational currency.

(ii) *Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cashflow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(d) Financial instruments

(i) Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value (see "Financial liabilities" section for out-of-money derivatives classified as liabilities). They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and, for the purpose of the statement of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

(ii) Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship (see below), the Group's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value (see "Financial assets" for in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities
Other financial liabilities include the following items:

Bank borrowings, where applicable, are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) Hedge accounting
The Group has note applied hedge accounting.

(e) Revenue recognition
Performance obligations and timing of revenue recognition
The majority of the Group’s revenue is derived from leasing equipment and selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price
Most of the Group’s revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations
For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered).

Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product’s standalone selling prices (all product lines are capable of being, and are, sold separately). Therefore, there is no judgement involved in determining the contract price.

(f) R&D Rebate and Government Grants
Government Grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The Group received the following government grants:

(a) Research and development tax incentives received or receivable are recognised at fair value where there is a reasonable assurance that the amount will be received and the Group will comply with all attached conditions. The value of the research and development tax incentive received or receivable income is presented as part of profit or loss as other income.
(b) JobKeeper Payment scheme and ATO Cash flow boost received have no unfulfilled conditions or other contingencies attaching to these grants. Grants related to income are presented as part of profit or loss as other income.

The Group did not benefit directly from any other forms of government assistance.

(g) Income tax

Volt Power Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 19 January 2010.

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

(h) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation the amount of which at can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(j) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group’s incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate.

In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

(k) Inventory

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Costs are assigned to individual items of inventory based on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale inventories are valued at the lower of cost and net realisable value.

(l) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(m) Intangible assets

Intangible assets acquired are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (including those arising from the development phase of an internal project) are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group can use or sell the asset; the Group has sufficient resources, and intend to complete the internal development and their costs can be measured reliably

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. After initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.
Capitalised development costs are amortised on a straight-line or diminishing value method over the period of their expected benefit, being their finite useful lives of three to five years.

(n) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

In assessing the collective impairment, the Group uses the expected credit loss (ECL) model to recognise an allowance in accordance with AASB 9. For trade receivables, the Group uses the simplified approach of the ECL model to determine the allowance.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Share based payments

The fair value of options issued as share-based payment are measured using an appropriate pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

The fair value of shares issued as share-based payment is measured based on the share price on the date of issue.

4. Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

5. Key judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Management have identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

(i) Taxation

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the statement of financial position and the amount of other tax losses and temporary differences not yet recognised.

In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustments, resulting in a corresponding credit or charge to the income statement.

(ii) Consolidation of EcoQuip

Judgement is required in assessing whether an investment is to be treated as a subsidiary or an associate. The Company holds 67% (31 December 2019: 54%) of the ordinary shares and voting rights in EcoQuip Australia Pty Ltd. One other investor holds the remaining 33% (31 December 2019: 46%). Management has assessed its ownership of EcoQuip in accordance with AASB10 – Consolidated Financial Statements and considers that EcoQuip is a subsidiary as it has a casting vote at Board Meetings.

(iii) Impairment

Judgement is required to determine when intangible assets are available for use and also whether the assets have suffered impairment. In assessing impairment, management estimates the recoverable amount of each asset and/or cash-generating unit based on the higher of fair value less cost of disposal or value in use (using expected future cash flows). Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Refer to note 19(b).

(iv) Internally generated intangible assets (Development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be rented;
- Adequate resources are available to complete the development;
- There is an intention to complete the product and to obtain future economic benefits through the Rental Revenue generated from Rental of the Gen4 Light Towers; and
- Expenditure on the product can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed only once the asset is ready for use. The amortisation expense is included within the cost of sales line in the consolidated statement of comprehensive income. Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

6. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company. The Group has determined that it has one operating segment.

7. Revenue from trading activities

	2020 **$**	2019 $
Revenue from sales of inventory	**1,464,223**	772,910
Revenue from equipment leases	**350,880**	371,294
Revenue from other sales	**67,562**	-
	1,882,665	1,144,204
Timing of revenue recognition		
At a point in time	**1,464,223**	772,910
Over time	**418,442**	371,294
	1,882,665	1,144,204

8. Other income

	2020 **$**	2019 $
Research and development tax incentive rebate	**358,625**	604,101
Government incentives and subsidies	**161,108**	-
Other income	**-**	2,610
	519,733	606,711

9. Consultants and advisors

	2020 **$**	2019 $
Audit, Tax, Accounting and Finance	**275,471**	263,369
Legal expenses	**769,459**	174,271
	1,044,930	437,640

10. Employee benefit expense

	2020 **$**	2019 $
Salary and wages	**1,055,538**	967,185
Superannuation	**26,372**	40,843
Share based payments	**-**	44,909
Other	**1,963**	15,439
	1,083,873	1,068,376

11. General and administration expenses

	2020 $	2019 $
Occupancy Costs	**25,519**	75,935
Insurance	**62,465**	54,492
IT Expenses	**4,417**	6,075
Travel & Accommodation	**7,967**	52,509
Depreciation & Amortisation	**148,820**	137,144
Foreign currency (gains)/losses	**(12,470)**	(208)
Other expense	**176,881**	109,542
	413,599	435,489

12. Finance costs - net

	2020 $	2019 $
Interest income	**455**	1,366
	455	1,366
Bank fees	**3,218**	3,850
Interest expense	**16,824**	21,224
	20,042	25,074
Finance expense	**(19,587)**	(23,708)

Recognition and measurement

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and convertible notes, unwinding of the discount on provisions, and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

13. Income tax

(a) Income tax (expense)/benefit

	2020 $	2019 $
Current tax expense	**(30,134)**	(44,315)
Deferred tax (expense)/credit arising from temporary differences	**(94,069)**	(5,479)
Total income tax (expense)/benefit	**(124,203)**	(49,794)
Attributable to:		
Continuing operations	**(124,203)**	(49,794)
	(124,203)	(49,794)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2020 $	2019 $
Loss from continuing operations before income tax expense	**(463,889)**	(1,839,142)
Tax at the Australian tax rate of 26% (prior year 27.5%)	**120,611**	505,764
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	**65,158**	(271,814)
R&D related expenditure	**(119,153)**	
Previously recognised deferred tax assets not brought to account	**(45,950)**	(5,479)
Deferred tax (liabilities)/assets not brought to account	**(140,869)**	(278,265)
Income tax (expense)/benefit	**(124,203)**	(49,794)

The franking account balance at year-end was $nil (2019: nil).

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

(c) Deferred tax assets and liabilities

	2020 $
Deferred tax assets	
Tax losses	**106,663**
Other timing differences	**853**
	107,516
Deferred tax liabilities	
Intangible assets	**(197,015)**
Other timing differences	**(4,570)**
	(201,585)
Net deferred tax liability	**(201,585)**

(d) Tax losses

	2020 $	2019 $
Unused tax losses for which no deferred tax asset has been recognised	**18,609,179**	18,653,724
Potential tax benefit @ 26% (prior year 27.5%)	**4,838,386**	5,129,774

All unused tax losses were incurred by Australian entities. Unrecognised deferred tax balances will only be available subject to continuing to meet the relevant statutory tests.

14. Cash and cash equivalents

	2020 $	2019 $
Cash at bank	**666,492**	1,287,705

(a) Reconciliation of loss after income tax to net cash outflow from operating activities

	2020 $	2019 $
Loss for the year	**(588,092)**	(1,888,936)
Adjustments for		
Depreciation and amortisation	**148,820**	137,144
Impairment of goodwill	**-**	1,348,219
NCI conversion of debt to equity	**87,500**	-
Foreign exchange movements	**7,103**	-
Options exercised	**262,500**	-
R&D rebate	**85,289**	-
Share-based payment transactions	**-**	44,909
Changes in operating assets and liabilities, net of effects from purchase of controlled entity and reversal of amounts subject to the deeds of company arrangement		
(Increase)/decrease in trade and other receivables	**55,692**	120,910
(Increase)/decrease in Inventory	**59,734**	(21,114)
(Decrease)/Increase in trade and other payables	**147,498**	211,685
(Decrease)/Increase in employee benefit liability	**1,963**	15,440
(Decrease)/Increase in deferred tax liabilities	**94,069**	-
Net cash inflow/(outflow) from operating activities	**362,076**	(31,743)

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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, net of outstanding bank overdrafts.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(b) Reconciliation of cash and non-cash movements in financial liabilities

	Note	2020 $	2019 $
Cash and cash equivalents		**666,492**	1,287,705
Borrowings repayable within one year	22	**(111,921)**	(100,130)
Borrowings repayable after one year	23	**(33,697)**	(114,945)
		520,874	1,072,630
Cash and liquid assets		**666,492**	1,287,705
Gross Debt - Fixed interest rate		**(145,618)**	(215,075)
		520,874	1,072,630

15. Trade and other receivables

	2020 $	2019 $
Accounts receivable	**134,785**	127,923
Other debtors	**12,398**	12,398
	147,183	140,321

Impaired receivables and receivables past due

The Group applied ECL to calculate losses. These were found to be immaterial.

16. Inventory

	2020 $	2019 $
Completed goods and parts on hand	**307,520**	367,254

17. Other current assets

	2020 $	2019 $
Prepaid insurance	**65,403**	76,722
Other prepayments	**-**	1,765
	65,403	78,487

18. Property, plant and equipment

	Plant and equipment $	Office furniture, fittings and equipment $	Total $
31 December 2019			
Opening net book amount	895,994	3,201	**899,195**
Additions	298,295	-	**298,295**
Depreciation charge	(135,541)	(1,603)	**(137,144)**
31 December 2019	1,058,748	1,598	**1,060,346**
31 December 2019			
Cost or fair value	1,986,109	18,703	**2,004,812**
Accumulated depreciation	(927,361)	(17,105)	**(944,466)**
Net book amount	1,058,748	1,598	**1,060,346**
31 December 2020			
Opening net book amount	1,058,748	1,598	**1,060,346**
Additions	748,714	-	**748,714**
Depreciation charge	(148,382)	(438)	**(148,820)**
31 December 2020	1,659,080	1,160	**1,660,240**
31 December 2020			
Cost or fair value	2,723,873	18,703	**2,742,576**
Accumulated depreciation	(1,075,743)	(17,543)	**(1,093,286)**
Net book amount	1,648,130	1,160	**1,649,290**

Recognition and measurement

Property, plant and equipment

All classes of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the income statement as incurred.

Depreciation is calculated on a straight-line or diminishing value basis for all classes of property, plant and equipment. The estimated useful life of plant and equipment is between 3 and 20 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

19. Intangible assets

	Goodwill $	Intellectual property $	Total $
31 December 2019			
Opening balance	1,348,219	-	**1,348,219**
Capitalised expenditure	-	269,470	**269,470**
Impairment charge	(1,348,219)	-	**(1,348,219)**
31 December 2019	-	269,470	**269,470**
31 December 2020			
Opening balance	-	269,470	**269,470**
Capitalised expenditure	-	458,281	**458,281**
Impairment charge	-	-	**-**
31 December 2020	-	727,751	**727,751**

(a) Goodwill

The Group has determined the cash generating units to be as follows:

- Wescone Distribution Pty Ltd
- Ecoquip Australia Pty Ltd

The movements in the net carrying amount of goodwill are as follows:

	Wescone $	EcoQuip $	Total $
31 December 2019			
Opening balance	748,828	599,391	**1,348,219**
Impairment charge	(748,828)	(599,391)	**(1,348,219)**
31 December 2019	-	-	**-**
31 December 2020			
Opening balance	-	-	**-**
Impairment charge	-	-	**-**
31 December 2020	-	-	**-**

(b) Impairment tests for goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on the higher of its value-in-use or fair value less costs to sell which require the use of assumptions. In assessing the goodwill for impairment for the year ended 31 December 2019 the Group used a discounted cash flow model in accordance with the value-in-use (VIU) method, which reflect the present value of the future cash flows expenditure to be derived from the CGU. The significant inputs and key assumptions used by management within the discounted cash flow model for both CGUs are:

Ecoquip Australia Pty Ltd:

- The cash flows for the first 18 months of the model is based on the 2020 budget as prepared by management
- Short term growth rate of 1%
- CPI inflation of 2%
- Pre-tax discount rate of 20% to calculate net present value

Wescone Distribution Pty Ltd:

- The cash flows for the first 18 months of the model is based on the 2020 budget as prepared by management
- Pre-tax discount rate of 20% to calculate net present value

The Group has determined that there is an impairment to the carrying value of both the EcoQuip and Wescone goodwill in the prior reporting period.

Sensitivity of assumptions
Ecoquip Australia Pty Ltd:
The Directors and management have performed a sensitivity analysis of the discount rate applied and as a result of the analysis performed recognised an impairment loss of $599,391 for the year ended 31 December 2019.

Wescone Distribution Pty Ltd:
The Directors and management have performed a sensitivity analysis of the discount rate applied and as a result of the analysis performed recognised an impairment loss of $748,828 for the year ended 31 December 2019.

(c) Intellectual property
Intellectual property includes capitalised development costs associated with the design and development of the MSLT Generation 4 (Gen4) trailer power management, operational control and data telemetry system, designed, built and owned by EcoQuip Australia Pty Ltd and is to be amortised over a five-year period. As at 31 December 2020 the intellectual property was not yet deemed as ready for use and as such had not commenced amortisation. Consequently, the Company was required to assess the capitalised intellectual property by comparing its carrying amount with its recoverable amount for the allocable assets and liabilities identified within the EcoQuip Cash Generating Unit ("CGU"). The Company has considered valuation methodologies allowable by the accounting standards and have deemed fair value less cost of disposal to be the most appropriate basis of assessment. The Company has used Level 3 unobservable inputs in determining the fair value less cost of disposal of the EcoQuip CGU. The assessment included using the capital raising prices between willing market participants on an arm's length basis which occurred during the year.

20. Trade and other payables

	2020	2019
	$	$
Trade Creditors	**1,060,247**	407,313
Accrued Expenses	**41,690**	87,500
GST	**(21,889)**	(16,974)
PAYG	**17,850**	13,531
FBT	**-**	14,400
Sundry Creditors	**2,386**	6,745
	1,100,284	512,515

21. Employee benefit liabilities

	2020	2019
	$	$
Employee Entitlements	**32,069**	30,106
Superannuation	**11,114**	27,310
	43,183	57,416

Recognition and measurement
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

(ii) Other long-term employee benefit obligations
The liabilities for long term benefits is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(iv) Share-based payment transactions
The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

22. Interest bearing loans and borrowings – current liabilities

	Note	**2020 $**	2019 $
Non-bank loans		**30,674**	-
Finance leases	27	**81,247**	100,130
		111,921	100,130

23. Interest bearing loans and borrowings – non-current liabilities

	Note	**2020 $**	2019 $
Non-bank loans		**-**	-
Finance leases	27	**33,697**	114,945
		33,697	114,945

24. Equity
(a) Contributed equity

	2020 No. of shares	2019 No. of shares	**2020 $**	2019 $
Fully paid ordinary shares	**9,169,533,558**	8,994,533,558	**73,782,092**	73,519,592

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital Management
The Company's capital management policy provides a framework to maintain a capital structure to support the development of the business into one that is income producing. The Company seeks to utilise available borrowing facilities when and to the extent prudent to do so, in order to maximise returns for equity shareholders and limit the need to raise additional equity capital.

Dividends
There were no dividends declared or paid during the reporting period.

Movements in ordinary shares

Details	**No. of shares**	**$**
1 January 2019	8,244,533,558	72,792,329
Share placement	750,000,000	750,000
Transaction costs	-	(22,737)
31 December 2019	8,994,533,558	73,519,592
Exercise of options	175,000,000	262,500
31 December 2020	9,169,533,558	73,782,092

(b) Other equity

	2020 No. of options	2019 No. of options	**2020 $**	2019 $
$0.0015 expiry 22 May 2020	**-**	175,000,000	**-**	-
$0.0020 expiry 22 May 2021	**175,000,000**	175,000,000	**-**	25,201
$0.0040 expiry 9 November 2020	**-**	20,000,000	**-**	10,166
$0.0045 expiry 9 November 2021	**20,000,000**	20,000,000	**-**	9,542
	195,000,000	390,000,000	**-**	44,909

Movements in other equity
There were no movements in other equity during the financial year ending 31 December 2020.

(c) Reserves

	2020 $	2019 $
Share based reserves - Reserve holding shares subject to the achievement of performance-based measures	**3,470,000**	3,470,000
Options based reserves	**2,635,365**	2,635,365
Non-controlling interest reserve	**(231,819)**	(45,000)
	5,873,546	6,060,365

Recognition and measurement
Contributed equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised directly in equity as a deduction, net of tax, from the proceeds.

25. Earnings/(loss) per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(a) Basic earnings/(loss) per share

	2020 cents	2019 cents
From continuing operations attributable to the ordinary equity holders of the company	**(0.0054)**	(0.0225)
Total basic earnings per share attributable to the ordinary equity holders of the company	**(0.0054)**	(0.0225)

(b) Reconciliation of earnings used in calculating earnings per share

	2020 $	2019 $
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	**(493,313)**	(1,874,882)

26. Acquisitions

(a) Acquisition of Wescone Distribution Pty Ltd

On 23 January 2018 the Group acquired 100% of the equity instruments of Wescone Distribution Pty Ltd (Wescone), a Perth based business, and it was determined that Volt obtained 'control' of Wescone pursuant to *AASB 10 Consolidated Financial Statements*. The acquisition was made to enhance the Group's position in the mining services sector, giving the Group access to additional services and customers. The details of the business combination are as follows:

	$
Fair value of consideration transferred	
Amount settled in cash	4,750,000
Amount settled in equity	250,000
Completion working capital adjustment	(12,398)
Total	**4,987,602**
Recognised amounts of identifiable net assets	
Cash and cash equivalents	222,629
Trade and other receivables	58,166
Inventories	491,806
Other current assets	266
Current tax asset	10,908
Total current assets	**783,775**
Property, plant and equipment	158,361
Deferred Tax Assets	-
Total non-current assets	**158,361**
Trade and other payables	(149,813)
Employee entitlements	(40,925)
Interest bearing loans and borrowings	(37,285)
Total current liabilities	**(228,023)**
Interest bearing loans and borrowings	(1,045)
Total non-current liabilities	**(1,045)**
Identifiable net assets	**713,068**
Goodwill on Acquisition	**4,274,534**
Consideration transfer settled in cash	(4,750,000)
Cash and cash equivalents acquired	(222,629)
Net cash inflow on acquisition	**(4,527,371)**
Acquisition costs charged to expenses	73,497
Net cash paid relating to the acquisition	**4,600,868**

The goodwill on acquisition was attributable to Wescone's position and profitable trading in the mining services market.

Due to the suspension of a service agreement with a key customer, management conducted a review of the carrying value of goodwill on acquisition. Based on an assessment of the loss of profitability from suspension of these arrangements and the requirements of *AASB 136 Impairment of Assets*, the group determined that it incurred an impairment expense of $3,525,706 in the December 2018 financial year.

Furthermore, the group recognised a further impairment loss on Goodwill of $1,348,219 during the year ended 31 December 2019. Therefore, the Wescone Goodwill acquired as part of the Wescone acquisition of $4,274,534 has now been fully impaired. The Company's Board considers that this impairment loss and damage suffered by the Company is a direct result of BHP considering that the Wescone W300/3 crusher was no longer a technically viable solution for BHP.

This factual and material circumstance was not communicated to the Company by the Wescone vendor during the due diligence period or prior to the acquisition of Wescone by the Company.

Contingent consideration
The contingent consideration is a royalty arrangement pursuant to which the Wescone vendor has been granted:

- a 25% royalty on all gross revenue received by Wescone exceeding $2 million per annum (Primary Royalty) expiring on the earlier of total Primary Royalty payments reaching $6 million or the 10th anniversary of completion of the Wescone Acquisition; and
- a 2% royalty on all gross revenue received by Wescone exceeding $2 million per annum commencing on expiry of the Primary Royalty and ceasing on the 15th anniversary of completion of the Wescone Acquisition.

In February 2021, The Company and the Wescone vendor reached a commercial settlement of all outstanding claims alleged in proceedings in connection with the 2018 acquisition of the Wescone business. The settlement terms included the immediate termination of the Wescone royalty agreement.

27. Leases

The Group's has various items of plant and equipment that are held under finance lease arrangements. As at 31 December 2020, the net carrying amount held under finance lease arrangements is $114,944 (2019: $215,075).

The Group's finance lease liabilities, which are secured by the related assets held under finance leases, are classified as follows:

	2020 **$**	2019 $
Finance lease liabilities		
Current	**81,247**	100,130
Finance lease liabilities		
Non-current	**33,697**	114,945

Future minimum finance lease payments at the end of each reporting period under review were as follows:

	Within 1 Year **$**	**1-5 years** **$**	**After 5 years** **$**	**Total** **$**
2019				
Lease payments	112,571	122,056	-	234,627
Finance charges	(12,441)	(7,111)	-	(19,552)
Net present values	100,130	114,945	-	215,075
2020				
Lease payments	**86,742**	**35,314**	**-**	**122,056**
Finance charges	**(5,495)**	**(1,617)**	**-**	**(7,112)**
Net present values	**81,247**	**33,697**	**-**	**114,944**

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

28. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2020 **$**	2019 $
BDO		
Audit and review of financial statements	**50,000**	53,000
Total remuneration for audit and other assurance services	**50,000**	53,000
Total remuneration of BDO	**50,000**	53,000

29. Contingencies

Contingent consideration

The contingent consideration is a royalty arrangement pursuant to which the Wescone vendor has been granted:

- a 25% royalty on all gross revenue received by Wescone exceeding $2 million per annum (Primary Royalty) expiring on the earlier of total Primary Royalty payments reaching $6 million or the 10th anniversary of completion of the Wescone Acquisition; and
- a 2% royalty on all gross revenue received by Wescone exceeding $2 million per annum commencing on expiry of the Primary Royalty and ceasing on the 15th anniversary of completion of the Wescone Acquisition.

During February 2021, this royalty agreement was terminated pursuant to a commercial settlement arrangement agreed between the parties to it.

The Group has no contingent liabilities as at 31 December 2020.

30. Commitments

(a) Non-cancellable operating leases

The Group leases a workshop and office, for its wholly owned subsidiary Wescone Distribution Pty Ltd, under non-cancellable operating leases expiring within 3 years, with an option to extend the lease for a period of between 1 and 3 years. The option for renewal includes a CPI increase in the rent. The Group has applied practical expedients in accordance with *AASB 16 – Leases* and as such, as the lease has a term of less than 12 months remaining, no right of use asset or lease liability has been accounted for.

	2020	2019
	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**34,992**	34,992
Later than one year but not later than five years	**-**	-
	34,992	34,992

31. Related party transactions

(a) Key management personnel compensation

	2020	2019
	$	$
Short-term employee benefits	**449,960**	449,960
Share based payments	**-**	25,201
	449,960	475,161

Detailed remuneration disclosures are provided in the remuneration report.

(b) Transactions with other related parties

	2020	2019
	$	$
The following transactions occurred with related parties:		
Purchases:		
Purchases of goods and services – EC&M Ltd	**-**	-
Purchase of rent and administration support services – EC&M Ltd	**-**	90,679
	-	90,679

ECM Pty Ltd (ECM) is a related party of Mr Simon Higgins and during the year ending 31 December 2019, ECM entered into the following transactions with the Company:

- ECM provided office rent, accounting, tax and IT support at a rate of $15,000 per month (excl. GST).
- The Group's subsidiary EcoQuip Australia Pty Ltd entered into a contract with ECM, for the provision of office space at a rental of $3,583 per month (excl. GST).
- On a Consolidated level, payments to ECM totalled $90,679 for the year ended 31 December 2019.
- Both of the above arrangements with ECM ceased in August 2019.

During the year ended 31 December 2020, the Company acquired a motor vehicle off ECM for $34,000 (plus GST).

There were no transactions with other related parties during the year ended 31 December 2020.

32. Subsidiaries and transactions with non-controlling interests

Significant investments in subsidiaries during the year ended 31 December 2020 are set out below:

Name of entity	Country of incorporation	Class Of Shares	Equity holding 2020 %	Equity holding 2019 %
ATEN Operations Pty Ltd	Australia	Ordinary	100	100
Enerji Holdings Pty Ltd	Australia	Ordinary	100	100
Enerji Research Pty Ltd	Australia	Ordinary	100	100
Enerji PE Management Pty Ltd	Australia	Ordinary	100	100
Enerji GMRL SPV Pty Ltd	Australia	Ordinary	100	100
Wescone Distribution Pty Ltd	Australia	Ordinary	100	100
EcoQuip Australia Pty Ltd	Australia	Ordinary	67	54

33. Non-controlling interests

(a) Ecoquip summarised balance sheet

	2020 $	2019 $
Current assets	**294,503**	149,745
Current liabilities	**(643,560)**	(296,707)
Current net (liabilities)/assets	**(349,057)**	(146,962)
Non-current assets	**2,278,234**	1,231,403
Non-current liabilities	**(33,698)**	(114,946)
Non-current net assets	**2,244,536**	1,116,457
Net assets	**1,895,479**	969,495
Non-controlling interest	**33%**	46%
Accumulated non-controlling interest	**625,508**	445,968

(b) Ecoquip summarised statement of comprehensive income

	2020 $	2019 $
Revenue	**362,911**	460,383
Loss for the period	**(287,209)**	(30,552)
Other comprehensive income	**-**	-
Total comprehensive loss	**(287,209)**	(30,552)
Non-controlling interest	**33%**	46%
Loss attributable to non-controlling interest	**(94,779)**	(14,054)

(c) Ecoquip summarised cash flows

	2020 $	2019 $
Cash flows from operating activities	**114,059**	232,597
Cash flows from investing activities	**67,991**	(564,628)
Cash flows from financing activities	**(83,875)**	(64,834)
Net increase/ (decrease) in cash and cash equivalents	**98,175**	(396,865)

34. Events occurring after the reporting period

In February 2021, the Company and the Wescone vendor reached commercial settlement of all outstanding claims alleged in the proceedings in connection with the 2018 acquisition of Volt's Wescone business without admission of liability by any party.

The settlement terms are confidential but provide for the payment to Volt of $1.3 million in two instalments (Settlement Sum). The first instalment of $1.0 million was received by Volt on 16 February 2021. The second and final instalment will be paid no later than 19 August 2021. The Wescone vendor has granted security over two commercial properties to secure the second instalment.

The settlement arrangements also provide for the termination of a royalty agreement pursuant to which the Wescone vendor was entitled to royalty payments above a specific revenue threshold.

There are no other events that occurred subsequent to the reporting period ending, that would have a material impact on the financial statements as at 31 December 2020.

35. Share based payments

(a) Employee share scheme

A scheme under which shares may be issued by the Company to employees with an interest free loan for the purchase price of the shares was approved by shareholders at a general meeting on 1 December 2009.

(b) Other share-based payments

No Options were granted in the year ended 31 December 2020.
The number of Options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties is as set out below:

Name	Vested and exercisable	Unv-ested	Granted as compen-sation	Exercised	Forfeited	Other changes	Balance at the end of the year	Vested and exercisable	Unv-ested
Executive KMP									
Adam Boyd	350,000,000	-	-	(175,000,000)	-	-	175,000,000	175,000,000	-

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2020 **$**	2019 $
Expense arising from equity-settled share-based payment transaction	**-**	44,909
Total expense arising from share-based payment transactions	**-**	44,909

36. Financial instruments

Financial risk management policies

The Group financial instruments consist mainly of deposits with banks, accounts receivables and payables and domestic loans.

The Board of Directors analyse financial risk exposure at Board Meetings to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

(a) Market risk

(i) Foreign exchange risk

At present the Group has no foreign exchange risk in respect of forecast sales and purchases. The Group also has no hedges in place for its trade receivables and trade payables denominated in a foreign currency.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has set up a policy that all transactions in foreign currencies be transacted at spot. Management will continually review this policy based on volumes of foreign currency required.

(ii) Cash flow and fair value interest rate risk
The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer term borrowings are therefore usually at fixed rates. The Group's exposure to interest rate risk relate primarily to cash and cash equivalents. As at 31 December 2020, the Group has hire purchase financial liabilities that are at fixed rates and has no financial liabilities subject to interest rate movements. The Group's maximum exposure to interest rate risk at reporting date is shown below. As such, sensitivity to interest rate risk is considered immaterial.

	Note	**2020**	2019
		$	$
Cash and cash equivalents	14	**666,492**	1,287,705
Trade and other receivables - current	15	**147,183**	140,321
		813,675	1,428,026

(b) Credit risk
Credit risk arises from cash and cash equivalents, held-to-maturity investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as the credit exposures to wholesale and retail customers, including outstanding receivables.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was

	Note	**2020**	2019
		$	$
Cash and cash equivalents	14	**666,492**	1,287,705
Trade and other receivables - current	15	**147,183**	140,321
		813,675	1,428,026

The Group manages credit risk through dealing with creditworthy counterparties and balances are monitored on an ongoing basis. For bank and financial institutions, only independently rated parties with a minimum Standard & Poor's credit rating of A (or equivalent) are accepted.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counter parties having similar characteristics. Trade receivables include blue chip companies in mining and mining services industries. Management consider the credit quality of trade receivables that are not past due or impaired to be good.

(c) Liquidity risk
The Group has limited exposure to liquidity risk as the Group's main liabilities are trade and other payables and hire purchase liabilities. The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Notes 14 and 15) exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

(d) Recognised fair value measurements
The net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the Consolidated Statement of Financial Position and in the Notes to the Consolidated Statement of Financial Position. This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements.

Fair value hierarchy

The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets and liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market date (unobservable inputs) (Level 3)

As at 31 December 2020 and 31 December 2019, the carrying amount of assets and liabilities approximate their fair values.

There were no transfers between levels for recurring fair value measurements during the year. The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting date.

Level 1: the fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument is observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Capital management

The Board's policy is to maintain a strong asset base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year. Neither the Group nor any of its subsidiaries is subject to externally imposed capital requirements.

37. Parent entity financial information

Statement of financial position

	2020	2019
	$	$
Current assets	**190,379**	947,704
Non-current assets	**2,557,135**	1,589,542
Total assets	**2,747,514**	2,537,246
Current liabilities	**(567,029)**	(523,679)
Total liabilities	**(567,029)**	(523,679)
Net assets	**2,180,485**	2,013,567
Shareholders' equity		
Issued capital	**73,782,092**	73,519,592
Reserves	**6,105,365**	6,105,365
Accumulated losses	**(77,706,972)**	(77,611,390)
Total shareholders' equity	**2,180,485**	2,013,567
Loss for the year	**(95,582)**	(676,492)
Total comprehensive loss	**(95,582)**	(676,492)

Directors' Declaration

In accordance with a resolution of the directors of Volt Power Group Limited, I state that:

1. In the opinion of the directors:

(a) the financial statements and notes of Volt Power Group Limited for the financial year ended 31 December 2020 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
   (ii) complying with Accounting Standards and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and

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

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2020.

On behalf of the board.

Simon Higgins
Chairman
Perth
26 February 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Volt Power Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Volt Power Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 of the current period. 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Capitalisation of Intangible Assets

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 19 of the financial report, the Group has recognised an Intangible Asset in relation to the development of its Intellectual Property. The capitalisation of these internally generated development costs is a key audit matter due to the significance of the costs capitalised and the specific criteria that are required to be met for capitalisation under the accounting standard AASB 138 *Intangible Assets*. This involves management judgement with regards to technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future benefits and the ability to measure the costs reliably and whether costs, including payroll costs, were directly attributable to the project.	Our procedures included, but were not limited to the following: • Holding discussions with management to understand the nature and feasibility of its intellectual property as at 31 December 2020; • Vouching a sample of additions recognised during the year to ensure they meet the recognition requirements of AASB 138; • Evaluating the key assumptions used for estimates made in capitalising development costs, including assessment of whether capitalised costs related to the development phase of the project and the generation of probable future economic benefits; • Considering the receipt of Research and Development Grants during the year and the resultant accounting treatment as either offset against capitalised intangible assets and/or recognition within the profit or loss; and • Assessing the adequacy of the related disclosures in note 19 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Volt Power Group Limited, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 26 February 2021

Investor Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 17 February 2021.

Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are detailed below:

Range	Securities	%	No. of holders	%
100,001 and Over	9,148,098,697	99.77	810	37.33
10,001 to 100,000	19,193,124	0.21	494	22.76
5,001 to 10,000	1,362,243	0.01	167	7.70
1,001 to 5,000	768,678	0.01	269	12.40
1 to 1,000	110,815	0.00	430	19.82
Total	**9,169,533,557**	**100.00**	**2,170**	**100.00**
Unmarketable Parcels	25,446,938	0.28	1,396	64.33

Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

Rank	Name	17 Feb 2021	%IC
1	MR MICHAEL CAMPBELL HENDER	692,000,000	7.55
2	RENEWABLE INITIATIVE PTY LTD	579,500,000	6.32
3	GENUSPLUS GROUP PTY LTD	461,000,000	5.03
4	S & N HIGGINS SUPER PTY LTD	428,000,000	4.67
5	SIMON HIGGINS	345,000,000	3.76
6	AHB SUPER PTY LTD	320,000,000	3.49
7	RENEWABLE INITIATIVE PTY LTD	300,500,000	3.28
8	ADAM BOYD	267,500,000	2.92
9	DAVID OGG & ASSOCIATES PTY LTD	204,236,707	2.23
10	ZERRIN INVESTMENTS PTY LTD	200,000,000	2.18
10	CHEMBANK PTY LIMITED	200,000,000	2.18
11	MR GREGORY JOHN BITTAR	195,969,467	2.14
12	HOODWINKED PTY LTD	170,000,000	1.85
13	BOUCHI PTY LTD	152,530,017	1.66
14	CS FOURTH NOMINEES PTY LIMITED	139,855,616	1.53
15	BOTSIS HOLDINGS PTY LTD	136,706,690	1.49
16	SAMOZ PTY LTD	130,000,000	1.42
16	AHB SUPER PTY LTD	130,000,000	1.42
17	GETTYSBURG INVESTMENT COMPANY PTY LTD	121,942,344	1.33
18	MR MARK JOHN CLARK	115,000,000	1.25
19	DARRYL PETER OLDFIELD	110,000,000	1.20
20	HIGGINS WESTERN PTY LTD	109,000,000	1.19
	Total	**5,508,740,841**	**60.08**
	Balance of register	**3,660,792,716**	**39.92**
	Grand total	**9,169,533,557**	**100.00**

Substantial shareholders

The following shareholders have declared a relevant interest in the number of voting shares at the date of giving notice under Part 6C.1 of the Corporations Act 2001.

Name	No. ordinary shares	% of issued capital
Adam Boyd (and related)	1,615,000,000	17.61%
Simon Higgins (and related)	801,000,000	8.905%
GenusPlus Group Pty Ltd	461,000,000	5.03%

Voting rights

Each ordinary shareholder present at a general meeting in person, by proxy or by representative is entitled to one vote on a show of hands, or on a poll, one vote for each fully paid ordinary share subject to any voting restrictions that may apply.