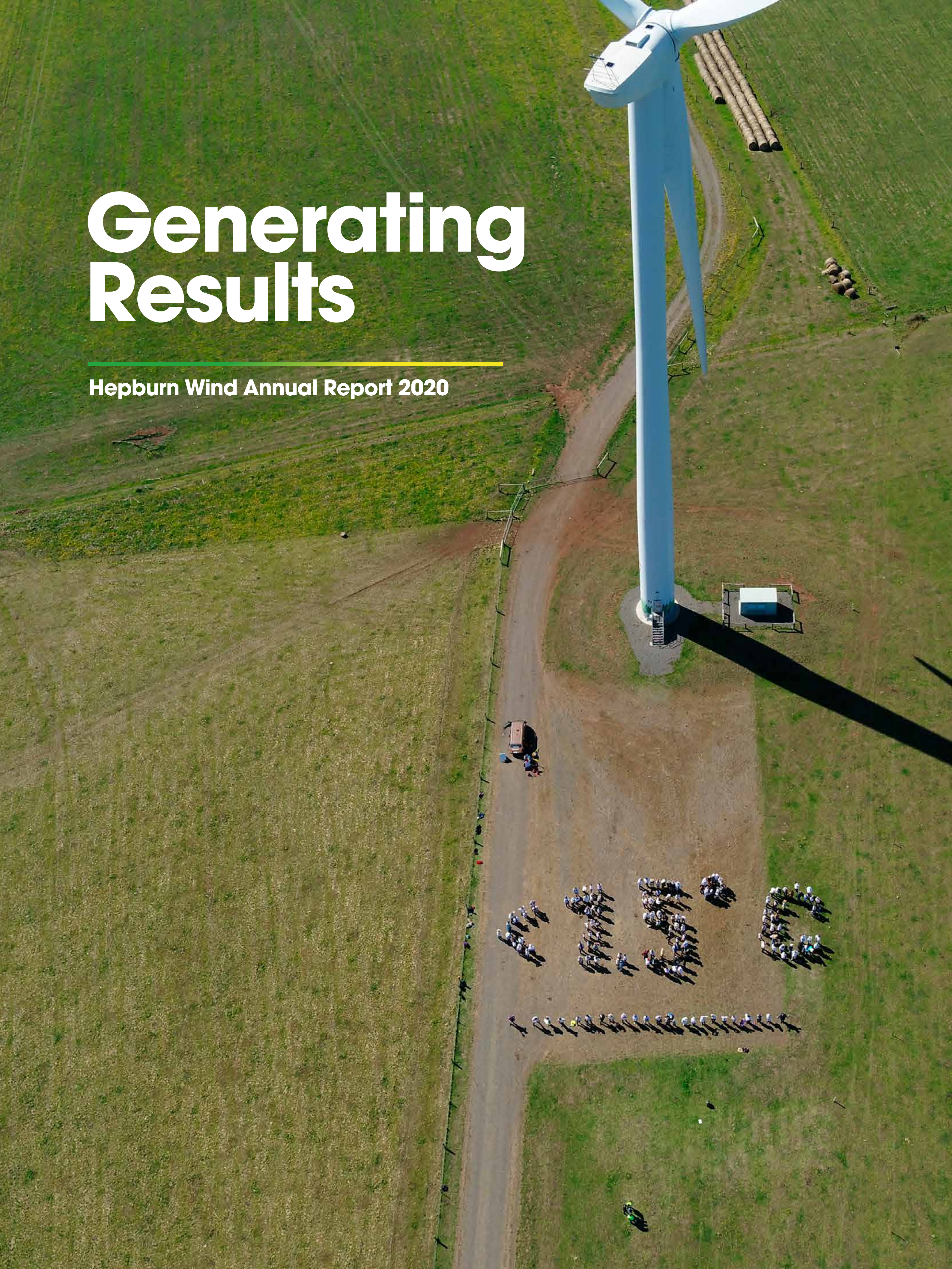
Generating Results

Hepburn Wind Annual Report 2020



Generating Results

Hepburn Wind owns and operates Australia's first community owned wind farm. We create environmental, economic and social benefits for members, neighbours and community. Together with the local community, we are leading the transition to a clean energy future and work to showcase to other communities a successful community energy model.

Hepburn Wind is located at Leonards Hill, about 100km north-west of Melbourne, just south of Daylesford Victoria. The 4.1MW wind farm hosts two turbines, called Gale and Gusto, which produce enough clean energy to power over 2000 homes.

Hepburn Wind is the trading name of Hepburn Community Wind Park Co-operative Ltd, a co-operative registered in Victoria, Australia. Hepburn Wind was established in 2007 by the Hepburn Renewable Energy Association, now known as SHARE. Despite many challenges, overwhelming support from the community has allowed the venture to flourish – inspiring similar projects to explore the community enterprise model for renewable energy projects.

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A message from the board

Dear fellow Hepburn Wind members,

This past year has been a terrible moment in time across Australia and the globe, with bushfires and Covid-19 rendering the climate and our wellbeing the most important priorities. We hope all of you are as well as can be during this challenging period.

Your co-operative has had to be nimble in this context, moving to a virtual work from home model since March and closing our office. Alongside most businesses in the Australian market, our income has been greatly reduced, this is largely due to impacts of the pandemic on the spot market price. Luckily, we have been able to focus on reducing expenses and been able to ride out this time and still continue our major projects, thanks to grants we have secured to undertake this work.

Significantly, this year, we began a new end-of-life contract with Vestas for our turbines, balance of plant operations and maintenance. This was a great relief after a precarious 12 months of administration processes for our turbine manufacturer Senvion, during which we were financially exposed for any maintenance.

Our two major projects during this period have been the asset hardening REFCL project, required under the bushfire legislation, alongside the continuation of planning for our 7.44MW solar and 10MWh battery hybrid facility to be co-located at the wind farm. Both projects are explained in more detail in the Annual Report. These projects would not have been possible without our supportive hosts and landowners Ron and Nathalie Liversidge.

We feel very proud to be delivering significant partnership projects to the benefit of our members and local community under our community and Council collaboration, Hepburn Z-NET (www.hepburnznet.org.au). These projects and programs mean we are delivering in our original purpose under our co-operative rules of providing advice and assistance to reduce energy usage and increasing energy efficiency for our members.

This year we will be holding a virtual AGM. We hope as many of you as possible will join with us, so we can share our progress made during the year.

Your board

OUR LIFECYCLE IMPACT - 9 YEARS IN!

- Total energy generated 93,365MWh abating 100,834 tonnes of CO2
- Total Community Fund benefit: $279,914
- 57kW of donated solar and 13.5kW of battery storage projects across 8 community facilities

THIS YEAR'S 'IN-KIND' IMPACT

- $211,210 in grants to support REFCL works and solar farm development
- Pro-bono board time valued $45,500
- Business development grant worth $23,200
- $88,645 pro-bono contribution to our solar farm development (now totalling $257,745)

Performance highlights

New end-of-life operations and maintenance contract with Vestas

Premiers Sustainability Award for Hepburn Z-NET

Gathering for 1.5 degree human sign

	FY2020	FY2019	Variance	Variance %
Revenue and income				
Electricity sales	$801,192	$1,058,223	($257,031)	-24%
LGC Sales	$447,707	$646,173	($198,466)	-31%
Movement in LGCs on hand	($37,500)	($117,868)	$80,368	-68%
Combined generation income	$1,211,399	$1,586,528	($375,129)	-24%
Co-marketed product revenue	$2,368	$3,358	($990)	-29%
Grant revenue	$211,210	-	$211,210	n/a
Other revenue	$47,793	$80,918	($33,125)	-41%
Total revenue	$1,472,770	$1,670,804	($198,034)	-12%
Market value				
Electricity generated (per MWh)	$70.44	$91.60	($21.16)	-23%
Certificates created	$41.05	$51.17	($10.12)	-20%
All-in energy value	$111.49	$142.77	($31.28)	-22%
Outgoings				
Operating expenses	$549,630	$551,940	($2,310)	0%
Community fund, sponsorships and local benefits (1)	$32,388	$26,578	$5,810	22%
Finance expenses (2)	$18,835	-	$18,835	n/a
Total outgoings excluding depreciation and provisions	$600,853	$578,518	$22,335	4%
Financial performance				
Group EBITDA	$891,747	$1,084,704	($192,957)	-18%
EBITDA cents per share	8.97	10.92	(1.95)	-18%
Group earnings before depreciation (3)	$872,912	$1,084,704	($211,792)	-20%
Depreciation	$494,924	$462,898	$32,026	7%
Net profit before tax	$377,988	$621,806	($243,818)	-39%
Income tax expense	$107,885	$175,247	($67,362)	-38%
Net profit after tax	$270,103	$446,559	($176,456)	-40%
Loan outstanding	$1	$1	-	0%
Operations				
Wind farm availability (4)	87.5%	96.6%	-9.1%	-9%
Wind speed average both turbines (m/s)	7.24	7.05	0.2	3%
Wind farm generation (MWh)	10,952	11,076	(124)	-1%
Capacity factor	28.0%	29.5%	-1.5%	-5%

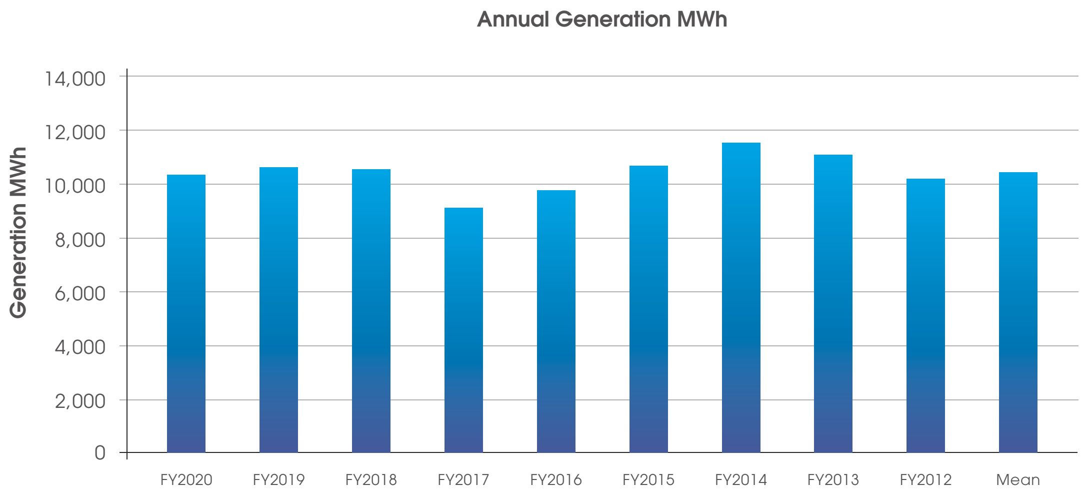
Footnotes

1. Community contributions expense in the statutory accounts includes movement in provision for community grants of -$545 (2019: +$7,583) and the provision for 'community fund is after allowing for contributions by Meridian Powershop, Red Energy and wind farm tours.
2. Finance expenses includes interest on the leased land recorded as a result of changes in accounting standards.
3. Group earnings represent earnings before depreciation, amortisation and after accounting for finance expenses. Net profit shows the position after accounting for these items. Refer to the audited financial statements contained at the back of this report for further details.
4. Proportion of the year that the grid was available and the turbines were capable of generation. Periods were one turbine was out of service or wind farm operated at a reduced capacity are weighted accordingly.

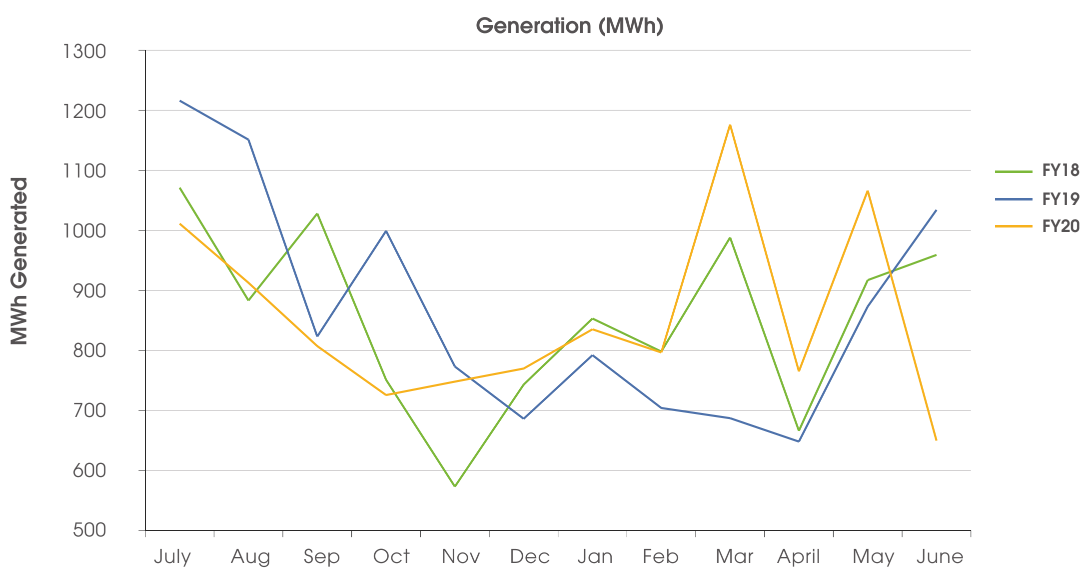
Our Performance

Operations

The co-operative successfully navigated a precarious operations period throughout FY2020, due to the status of Senvion Australia being placed under administration and only being able to offer limited servicing capabilities through to April 2020. In addition, there has been significant outages on the distribution network to facilitate the REFCL program.



The wind resource was slightly higher than last year at 7.24 metres per second across both turbines.



In February, Hepburn Wind secured a new full scope service agreement with Vestas, taking over from Senvion as well as taking over the role that Meridian performed as site manager. Vestas is a world renowned company, who will deliver maintenance to the two MM82 Senvion turbines and Active Output Management to optimise the wind farms performance and balance of plant maintenance. Vestas already has a large portfolio of over 230MW of Senvion turbines in Australia, operates across 69 countries and, importantly, they have experience with community wind in Europe.

This new agreement came after assessing a range of options and Vestas offered the clearest benefits to our operations and significant cost savings from bundling multiple contracts into a single long-term offer. Hepburn Wind would like to thank Senvion staff as they provided high quality services and support over nearly a decade of operation and Meridian staff who acted as the site managers for four years.

Vestas has experience repowering older Senvion turbines in Europe and our end-of-life contract includes a repowering option to be provided to the co-operative in six years for consideration.

The final generation figure of 10,952MWh (including the DLF/MLF uplift from 10,293MWh) was down 1% from FY2019, with a combined capacity factor (the average power generated, divided by the rated peak power) also dropping to 27.97% for Gale and Gusto.

The wind farm availability was down 9% to 87.5%, however these numbers are likely to be under estimated due to the transition of our SCADA system from Senvion to Vestas resulting in a two week period unaccounted for. This refers to the proportion of the year that the grid was available and the turbines were capable of generation.

The annual generation since operations commenced in June 2011 can be viewed in the chart below.

There were no occupational health and safety events this year, a reflection of the great care given to the wind farm by our contractors (namely Meridian Energy Australia, Senvion Australia, Vestas and Laser Electrical Ballarat). All routine annual and six-monthly turbine maintenance was completed on schedule.

Notable events of the year included:

- In July a repeated converter gird synchronisation error on Gusto resulted in 72.5 hours of downtime. There were periods of wind farm downtime across five days to facilitate Powercor switching and works on the local network under the REFCL program.

- In August, a repeated pitch fault on Gusto resulted in significant downtime. Gale was down for 14.25 hours due to icing on the anemometer. An endoscope inspection was completed on Gusto's gearbox. There were periods of wind farm curtailments and outages across three days to facilitate Powercor switching and works on the local network for the REFCL program.

- In September 24.65 hours of unplanned outages for gearbox repair works and oil flush on Gusto.

- Repeated frequency converter errors occurred on Gale towards the end of December and extended outages on three days related to Powercor's REFCL program.

- On January 31 there was a high market event.

- In February there were wind farm curtailments and outages across 9 days to facilitate Powercor switching and works on the local network under the REFCL program.

- In April and June there were REFCL stress testing events by Powercor of two days each time.

Our Performance

Rapid Earth Fault Current Limiters (REFCL) Program

Bushfires ignited by power lines contributed to the deaths of Victorians during the 2009 Black Saturday bushfires. The Victorian Government established the Powerline Bushfire Safety Program to implement recommendations of the Victorian Bushfires Royal Commission. A key recommendation included deploying REFCLs as they have demonstrated effectiveness in managing powerline faults by rapidly limiting the energy release on high voltage 22kV power lines. However, REFCLs will also change the voltage on the grid and therefore generators like Hepburn Wind need to upgrade their equipment to withstand these changes.

As a major project the co-operative has been delivering, Hepburn Wind will complete the necessary asset hardening and upgrades on site under the legislated REFCL program by November. During October and November, the wind farm will be switched off at times for construction and also planned outages by Powercor.

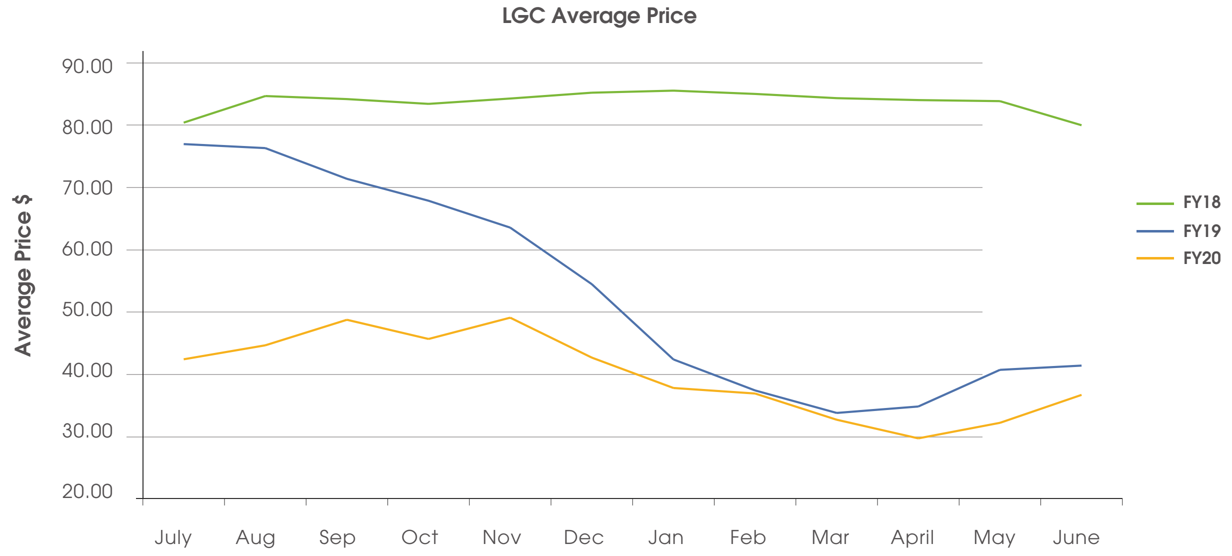
We are most grateful to Middleton Group, DNV GL, Laser Electrical, SMA, Powercor and Kinelli Solar for their expertise to get this significant project designed and completed. We have been able to integrate our future plans for solar and battery on site to ensure the upgrades we complete now will compliment these plans and future proof our site, rather than cause additional costs down the line. This project would not have been possible without the support from the State Government who have provided a hardship grant for the works under their High Voltage Customer Assistance Program.

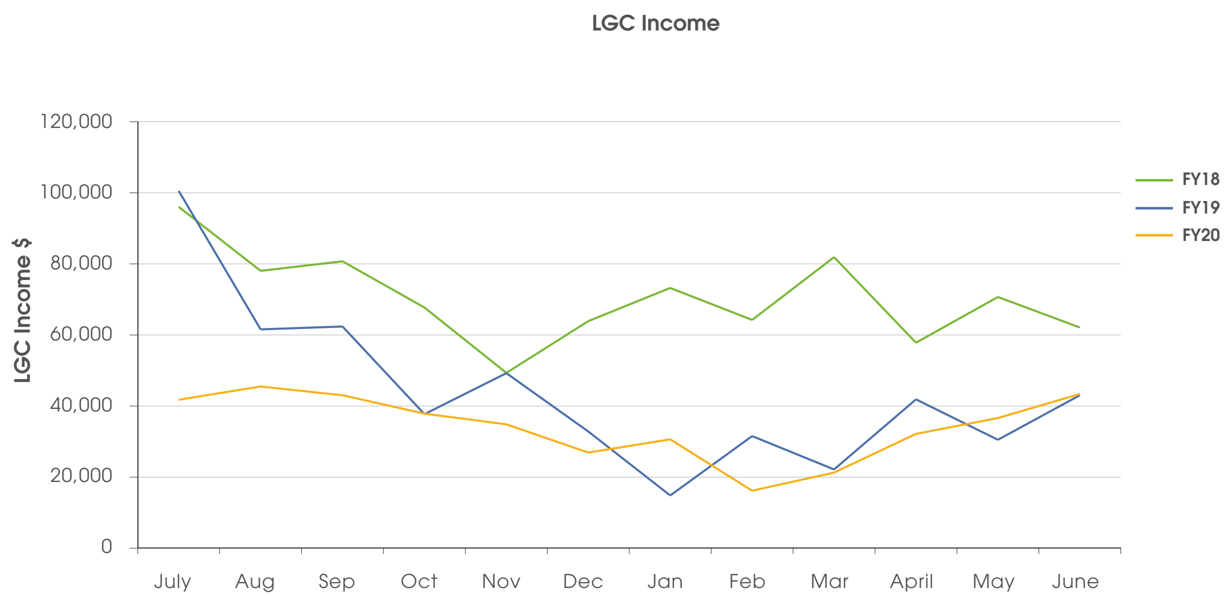
Income and expenses

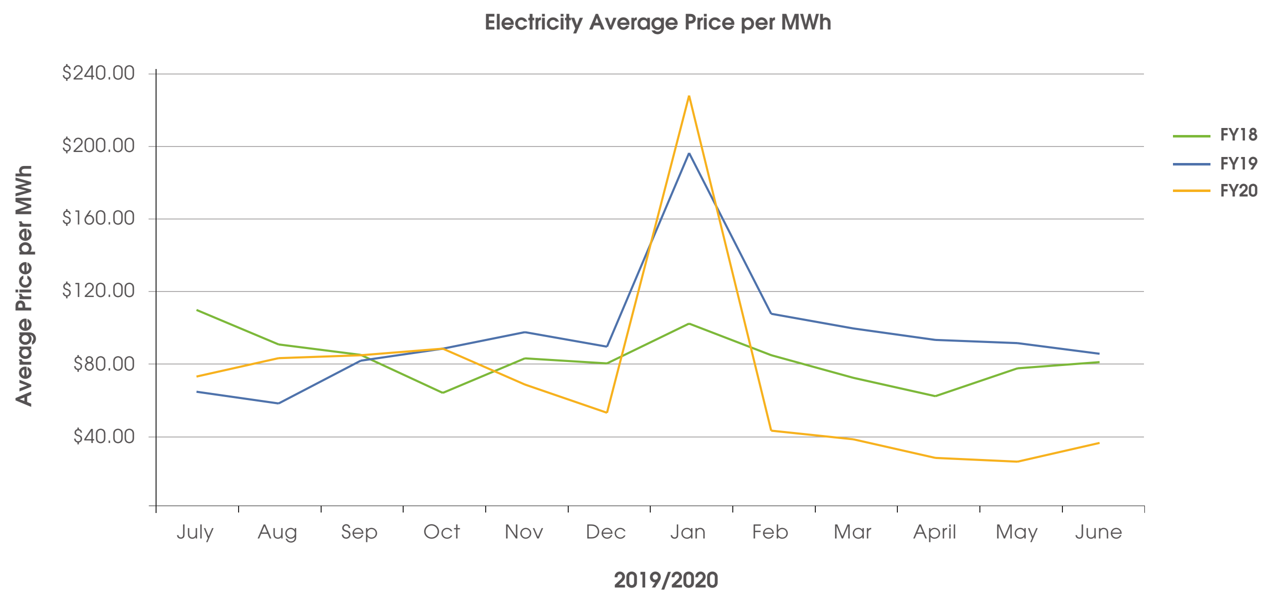
The co-operatives earnings before interest, taxes, depreciation and amortisation were $865,199 representing earnings of 8.70 cents per share. After allowing for depreciation of capital items and interest expenses the result was a consolidated profit after tax of $286,934. The tax position for the year is an income tax expense of $113,798 reflective of the profit earned in the year.

Generation held steady for the year down by 1.2% compared to 2019. The electricity prices reduced significantly during the year and Large Generation Certificate (LGC) prices also continued their downward trend. The average electricity price was $70.44 per MWh down by 23% on the previous year and the average LGC price was $41.05 a fall of 20% compared to the prior year. This resulted in an all-in price of $111.49, down 22% on the previous financial year and resulted in a decrease in total generation income of 24% to $1,211,399.

The following charts represent the variation in electricity and LGC pricing and income over the past three years.







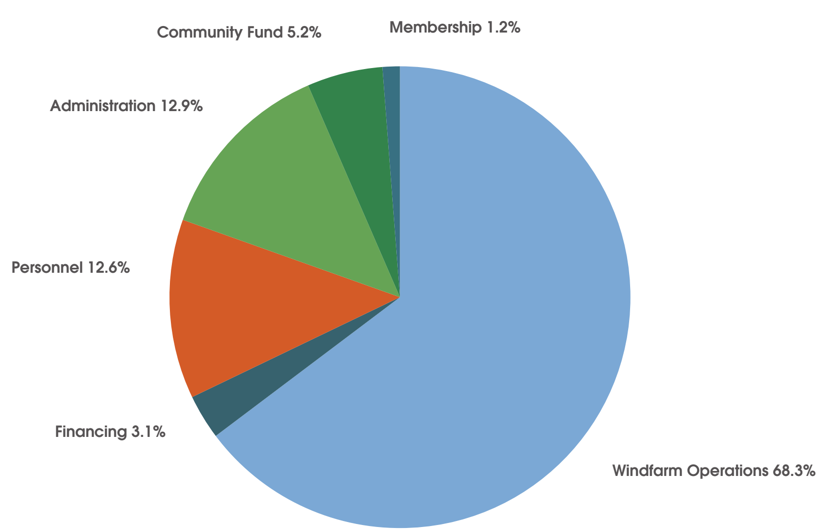
Other revenue was up by $177,095 mainly as a result of receiving a solar farm grant of $70,000 as well as $141,210 brought to account in HCAP grant income. The tax position for the year is an income tax expense of $107,885 reflective of the profit earned in the year. Administrative expenses were up by $4,523 which included a reduction in consulting fees by $2,978 and share registry services of $2,265 offset by increases in legal fees by $4,182 and office supplies and information technology by $2,773 in the year. There were also other smaller changes in other administrative expenses.

Personnel expenses increased by $2,087 with the most significant changes being increased wages and salaries of $29,168 and related superannuation expense of $2,771. This was a result of additional work required for the HCAP project and was offset by an amount of $30,353 in wages and super that was capitalised and funded through grant income received.

Operating expenses were down by $12,715 but is a consequence of a reduction in lease expenses by $26,097 as these are no longer recorded as expenses with interest expenses and depreciation of right-of-use assets recorded instead, as required under the new lease accounting standards that apply for the first time this year. The other significant movements include a reduction in payments in lieu of council rates of $10,002 and an increases in insurance expense of $2,885 and increase in wind farm operation expenses of $19,254 due to the transition expenses of moving contractors from Senvion and Vestas.

Finance costs increased in the year by $18,835 and depreciation expenses have increased by $32,026 both of these being as a result of amounts recorded relating to the lease of the land as required under the new lease accounting standard.

The following pie chart represents the split of expenses across the co-operative.



Securing our future

Solar farm development

This financial year, Hepburn Wind completed milestone 2B under the Renewable Communities Program grant which is providing $500,000 towards our solar farm development. Several pieces of technical documentation have been completed, including; an update to the existing wind farm geotechnical report, PEG pull test, engineering certification, fire management plan, battery storage assessment, final energy yield assessment and planning permit application. In addition we have passed due diligence requirements of Powercor for our increased export limit of 6.8MW (from 4.1MW) without needing further upgrades on site.

The planning permit submission date has, however, been delayed due to the combined impact of Covid-19, legislative changes and REFCL works. All solar farms over 1MW now need to apply for a Ministerial Permit rather than a Council Permit which added new requirements, prompting Hepburn Wind to seek (and be approved for) an extension from the Department under our grant milestone obligations. The REFCL works have continued to create some complexity, but also the opportunity to fast track items such as the grid connection. In addition, the co-operative is now applying for a hybrid facility with up to 10MWh of battery storage allowed on site. Further regulatory approvals would need to be achieved prior to developing the battery storage facility but it is prudent to prepare for it into the future.

Hepburn Wind is seeking to ensure a smooth application process by providing additional information that, while not required for the application, could ensure fewer delays once the permit is submitted. These include works, such as a fire management plan and noise assessment, completed in August. This financial year pro bono contributions have greatly reduced the costs of the planning permit and solar farm development for the co-operative. We would like to thank DNV GL, Meralli Solar, Kinelli Solar, Powercor, Latitude, Fire Management Consultants, Coffeys, GamCorp, Enhar and Energy Forms for their support during this time.

If you would like further information about the progress of the solar farm development, you can access it via our solar web page linked here.

Boost Your Business Grant

In March 2019 Hepburn Wind received our second Boost Your Business Grant from the Victorian State Government. This co-contribution grant in the form of a voucher enables us to work again with The Difference Incubator (TDI) and develop strategies to enhance our productivity, market access and income streams. Due to Covid-19 impacts, this grant work began in October 2020.

Lobbying and community energy incentive

Hepburn Wind has been advocating for state action to de-risk community energy projects, support community-led climate action and introduce science based interim emission reduction targets for 2025 and 2030. In collaboration with FoE and C4CE we also developed an online petition (https://www.melbournefoe.org.au/vic_lead_on_community_energy) highlighting the need for stronger community energy policy including a Community Energy Target, with a Feed-in Tariff to ensure mid-scale community generators get a fair price.

Hepburn Wind also delivered a submission and hosted the committee of the Parliamentary Inquiry for Communities Tackling Climate Change. In December, Hepburn Wind's General Manager travelled to parliament to lobby with aligned organisations and community members for these policy shifts. You can view the video via the link below: (https://www.parliament.vic.gov.au/967-epc-la/inquiry-into-tackling-climate-change-in-victorian-communities).

Our stakeholders

Engaging with our membership

Annual General Meeting

Hepburn Wind's 2019 Annual General Meeting was held in November at the Daylesford Town Hall. A quorum was achieved with 70 members present. Members received a detailed presentation on the solar farm development, outlining the progress to date, conditions for proceeding and the value for the co-operative. As part of the AGM proceedings, a Special Resolution rule change was passed which expanded the primary activities of Hepburn Wind, enabling the development of solar and/or agribusiness, should it be financially prudent to do so. The minutes can be reviewed via the link (https://www.hepburnwind.com.au/wp-content/uploads/2019/11/2019-AGM-Minutes.pdf).

Updating Rules

Under instruction from Consumer Affairs Victoria (CAV) the current Rules were updated to be in accordance with the Cooperatives National Law Application Act 2013 which superseded the Co-operatives Act 1996. The update has been undertaken by Co-op Bonds and validated by Bleyer Lawyers prior to signing off by CAV. The new Rules are available on the website via the link (https://www.hepburnwind.com.au/wp-content/uploads/2020/01/Hepburn-Wind-Rules-2020-PDF.pdf).

Engaging with our community

Hepburn Wind hosted a series of events during the 2019-2020 financial year. Working with Friends of the Earth Melbourne, XR Daylesford and other local community organisations, Hepburn Wind brought together community members to make a human sign calling for a safe climate of under 1.5 degrees warming and climate action from the state government with roughly 180 attendees. Hepburn Wind's General Manager, Taryn Lane was also invited to present at the National Climate Emergency Summit in February, discussing both Hepburn Wind's work and the partnership program Hepburn Z-NET.

Polly Stanton and Byron Dean have been ongoing artists in residence throughout the financial year. There have been a number of outcomes from the residency. The first iteration was the audio-visual work 'Emergent Fields'. This work was included in the group shows 'Translating Ambience' at The Yarra Sculpture Gallery (2019) and 'Post Human Publics' at RMIT's Project Space (2020). A sound composition of residency work was also presented on radio in the UK for Resonance Extra (2019) and in Eastern Europe on Framework Radio (2019). In 2020 they created a browser based interactive artwork for Avantwhatever Festival in collaboration with Melbourne-based design studio Public Office; and have submitted a research paper entitled 'Translating the Field' which will be published in JAR Journal in 2021.

1,900 followers

3,548 followers

1,058 followers.

Partnership projects

Hepburn Z-NET

The community partnership, Hepburn Z-NET, was recognised by three awards, receiving the Premiers Sustainability Award and a Tidy Town Award under community categories. The program was also a finalist for the Banksia Awards.

As a key partner in Hepburn Z-NET, Hepburn Wind coordinated with local community groups to show the documentary 2040 and to share the Community Transition Plan. The film looks at existing technologies and practices that could solve the current climate crisis. The film was shown in Trentham and Hepburn Springs with both screenings selling out and 270 locals in attendance.

Solar Bulk Buy

The Hepburn Solar Bulk-Buy Round 2 kicked off again in April 2020, with a target to install 200 homes with solar in the coming financial year, contributing to the Shire's 100% renewable target for 2025. In three months the bulk buy has received 40 solar orders totaling 141kW and 8 battery orders, to a combined value of $277,000.

EV Bulk Buy

This year Hepburn Wind partnered with the Good Car Company who will deliver an Electric Vehicle (EV) Bulk-Buy for the Hepburn Shire. Due to Covid-19 the EV Bulk-Buy was delayed but much of the logistics have been planned, enabling a swift delivery once restrictions ease. The Bulk-Buy will offer a number of vehicles ranging in price, starting around $17,000 and not exceeding $45,000. The planned launch date is for late 2020, with a follow up round planned for 2021. This first round will be virtual given Covid-19 restrictions.

Energy efficiency audits and retrofits

The Hepburn Home Energy Assessments and Energy Savvy Upgrades launched in 2020 and is seeking to help Hepburn Shire residents improve the building fabric of their homes with energy efficiency audits and in some cases, targeted retrofits. The program has brought together investment from the Z-NET Climate Resilience Fund, a collaborative fund set up to support community behaviour change programs. The key funders for this program are the Creswick Community and District Bank, Hepburn Wind and Hepburn Shire Council. The retrofits leveraged State Government funding through the Energy Savvy Upgrades Program, which is designed to support low-income households to improve their energy efficiency with subsidised upgrades of up to $880 per household. Both programs are delivered by a local sustainability group - Transition Creswick.

Community Fund

Changes to our Community Grants program

The Hepburn Wind Community Grants scheme went through a strategic review in 2019 due to the large number of similar granting schemes being available in the Hepburn Shire. Over seven years the Program funded 60 small projects, granting a total of $115,230 dollars. The new impact funding model currently under development uses a legacy and leverage approach to target larger funding amounts to community projects that will help the Hepburn Shire community transition to zero-net emissions by 2030.

CERES School Curriculum

In the Member Community Grant survey conducted in July 2019 , many members noted the need for greater education and engagement with youth. With this in mind, Hepburn Wind and Hepburn Shire Council funded CERES to develop a new curriculum designed to teach students about renewables, climate science and sustainable practices, with hands-on delivery options. This curriculum uses Hepburn Wind and the Hepburn Shire as key case studies of how renewable and climate action can work, empowering young people with scientific knowledge and clear examples of change.

Energy Fund

Hepburn Wind contributed $4,500 out of a $31,818 project installing a 25.08kW solar and a 13.5kWh battery system at the Hepburn Recreation Reserve, alongside the Hepburn Shire Council, CVGA (funded with a Bank Australia Grant) and the Hepburn Solar Bulk Buy. This array will produce an average 88kWhs each day, enough to cover the facilities summer electricity usage (estimated at 61kWhs a day) and one-third of their winter use, substantially reducing their electricity bills throughout the year. This combined battery and solar installation has the added benefit of providing some energy independence from the grid. As the reserve is a dedicated Bushfire Place of Last Resort, having a day's worth of energy will help to improve the comfort and safety of residents in the event of a fire.

Significant items subsequent to preparation of the Statutory Accounts

No significant items to be reported.

Acknowledgements

Hepburn Wind benefits greatly from our relationships with many organisations whom we gratefully thank.

We are particularly grateful to Ron and Nathalie Liversidge, Powershop, Meridian Energy, Vestas, DELWP, Sustainability Victoria, Ashurst Legal, The University of Melbourne, Fulcrum3D, Middleton Group, Meralli Solar, Kinelli Solar, Enhar Consulting, DNV GL, Renew, Gamcorp, Ecology and Heritage Partners, The Difference Incubator, Share Connect, Central Victorian Greenhouse Alliance, University of Melbourne, Nilsson, Noel & Holmes Surveyors Pty Ltd, Bendigo and Adelaide Bank, Bleyer Lawyers, Powercor, Laser Electrical, PPT Accounting, Marsh Insurance Brokers, Clean Energy Council, Australian Wind Alliance, Friends of the Earth, Coalition for Community Energy, Latitude Group and Designscope. We are also indebted to countless others who have provided advice, reduced fees or support in other ways.

Photo credits

Polly Stanton
Flying Dragon

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2020 Financials
Hepburn Community Wind Park Co-Operative Ltd

Hepburn Community Wind Park Co-operative Ltd

ABN 87 572 206 200

Financial Statements

For the Year Ended 30 June 2020

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For the Year Ended 30 June 2020

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Directors' Report

For the Year Ended 30 June 2020

Your directors present their report, together with the financial statements of the Group, being the Co-operative and its controlled entity, for the financial year ended 30 June 2020.

Directors

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

Names	Position	Elected/Resigned
Graham White	Chairperson	Elected 7 November 2015 Elected chairperson on 25 September 2018
Mark Fogarty	Director	Appointed 19 December 2018
Linda Hancock	Director	Elected 10 November 2017
Paul Houghton	Director	Elected 10 November 2017
David Perry	Director	Elected 6 November 2011 Re-elected 15 November 2014
Stuart Read	Director	Elected 10 November 2017
Justine Watson	Director	Appointed 19 December 2018

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

Staff

At 30 June 2020, the Group employed three part time staff:
- Taryn Lane (General Manager)
- Jessica Beavis (Administration & Membership Officer)
- Marie Lakey (Communications Officer)

Principal activities

The principal activities of the Group over the course of the financial year were to:
- operate the wind farm comprising two wind turbines at Leonards Hill in Victoria,
- develop a solar farm at Leonards Hill in Victoria, and
- optimise wind farm operations and the Co-operative functions.

No significant change in the nature of these activities occurred during the year.

Directors' Report

For the Year Ended 30 June 2020

Operating results and review of operations

The Group's earnings before interest, taxes, depreciation and amortisation were $891,747 (2019: EBITDA of $1,084,704) representing earnings of 8.97 cents per share (2019: 10.92 cents per share).

After allowing for significant depreciation of capital items and interest expenses the result was a consolidated profit after tax for the year of $270,103 (2019: consolidated profit of $446,559).

The table below summarises the operating result of the Group:

	2020	2019
	$	$
Income	**1,472,770**	1,670,804
Expenses	**(581,023)**	(586,100)
Earnings before interest, taxes, depreciation and amortisation	**891,747**	1,084,704
Interest	**(18,835)**	-
Operating profit before depreciation, amortisation and income tax	**872,912**	1,084,704
Depreciation and amortisation	**(494,924)**	(462,898)
Operating profit before income tax	**377,988**	621,806
Income tax expense	**(107,885)**	(175,247)
Consolidated profit for the year	**270,103**	446,559

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made for the 2020 financial year.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

Change in operations and maintenance service provider

During the prior year the Group's operations and maintenance service provider, Senvion, went into administration. The Group have sought a suitable replacement provider and in the last quarter of the reporting period have entered into contracts with Vestas for the provision of maintenance for the wind turbines and for the provision of active output management in order to optimise the wind farms performance and for the balance of plant maintenance.

Material market events

During the year the markets for electricity and Large-scale Generation Certificates have experienced significant changes which have impacted heavily on the Group's financial performance.

The market price of Large-scale Generation Certificates during the 2018 financial year averaged around $80 per LGC (with fluctuations around this price during the year). The Renewable Energy Target (RET) scheme reached its maximum volume of 33,000 GWh per annum in 2020 with a continued requirement to provide LGCs to 2030. It had been anticipated by the market that LGCs would have an ongoing value until 2030. During the 2019 year it became apparent that there would be an oversupply of LGCs in future years and the oversupply, together with the impact of changes to the application of the Clean Energy Regulator surrender shortfall mechanism, resulted in a market response of a 50% reduction in prices during the 2019 financial year from around $80 to $40 per LGC. These factors have continued to impact on the prices of LGCs during the reporting period with average LGC price during the year of around $40 per LGC.

Over the reporting period there was a gradual reduction in the wholesale electricity price from around November 2019. During the year the Australian economy was significantly impacted by the COVID-19 pandemic and the significant reduction in electricity consumption from March 2020 also resulted in further reductions in the wholesale electricity price. The impact over the course of the year on the Victorian wholesale electricity price was a reduction from around $80 per MWh to around $35 per MWh by the end of the year.

The reductions in the market prices for LGCs and wholesale electricity has had a material impact on the revenue of the Group during the year.

Matters or circumstances arising after the end of the year

Subsequent to the end of the reporting period, the Australian economy has continued to be significantly impacted by the COVID-19 pandemic. The wholesale electricity prices has continued to be significantly reduced and there is inherent uncertainty in relation to when the impact of the pandemic on prices may end.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental issues

The Group's operations are subject to significaqnt environmental regulations under the laws of the commonwealth and State of Australia. As a condition of the wind farm's planning permit, the Group has implemented the following plans:

(i) Environmental Management Plan
(ii) Bird and Bat Monitoring Plan
(iii) Preliminary Off-site Landscaping and Visual Screening Plan
(iv) On-site Landscape and Visual Screening Plan
(v) Heritage Management Protection Plan
(vi) Fire Management Plan
(vii) Noise Compliance Plan

Where applicable, these plans (available at hepburnwind.com.au/planning) have been endorsed by Hepburn Shire Council as the responsible planning authority. The plans have been implemented by the Group to the satisfaction of the responsible authority.

Directors' Report

For the Year Ended 30 June 2020

Indemnification and insurance of officers

Insurance premiums were paid during the financial year for indemnity insurance for directors and officers of the Co-perative and its controlled entities.

Proceedings on behalf of the Co-operative

No person has applied for leave of court to bring proceedings on behalf of the Co-operative or its controlled entity or intervene in any proceedings to which the Co-operative or its controlled entity is a party for the purpose of taking responsibility on behalf of the Co-operative or its controlled entity for all or any part of those proceedings.

The Co-operative and its controlled entity were not a party to any such proceedings during the year.

Information on Directors

Director	Experience & Special Responsibilities	Elected
Graham White	Graham is a Mechanical Engineer and has worked in the aerospace and energy industries for over 40 years. He has a Bachelor of Engineering (Thermodynamics and Aeronautics) from Carleton University in Ottawa and a Masters in Engineering Science (Solar) from the University of Western Australia. Graham has worked extensively in a number of countries including significant periods in Canada, Australia, Papua New Guinea, New Zealand and India. Graham was the Managing Director of Garrad Hassan (Australasia), a renewable energy consultancy company for 15 years. During this period he was involved in many wind farm and solar projects, including tasks for the development of the Hepburn Wind project. Graham has recently retired and lives in Woodend. Member of the Operations Committee and Future Generation Working Group.	Appointed 19 May 2015 Elected 7 November 2015 Elected chairperson 25 September 2018
Mark Fogarty	Mark has over 20 years of experience in clean energy development, from origination, financing and regulatory perspectives. He is passionate about clean energy projects working with community and agricultural stakeholders. Mark's technical skills include legal, governance and financial management.	Appointed 19 December 2018
Linda Hancock	Linda has had a long career working in corporate social responsibility for social and environmental sustainability. She is currently a Chief Investigator of the Australian Research Council Centre for Excellence in Electro Materials Science (ACES). Linda has worked on the board of governors of ACOSS and VCOSS and has resided in Daylesford since the 1980s. Member of the Finance & Risk Committee and Future Generation Working Group.	Appointed 10 November 2017

Directors' Report

For the Year Ended 30 June 2020

Director	Experience & Special Responsibilities	Elected
Paul Houghton	Paul's key areas of knowledge and experience are in business development, finance and project management. Over the past 15 years, Paul has managed his own accommodation business, developing close links within the local area. Paul has lived in Daylesford for 19 years. Member of the Future Generation Working Group.	Appointed 10 November 2017
David Perry	David holds a PhD in auditory neuroscience, and a bachelor degree in electrical engineering, both from the University of Melbourne. He has worked across medicine, agriculture and energy and is CTO and co-founder of BOOMPower, a software company that helps asset managers understand, procure and verify solar and energy efficiency solutions. David and his partner live in Malmsbury. Member of the Operations Committee; Health, Safety & Environment Committee and Future Generation Working Group.	Elected 6 November 2011 Re-elected 15 November 2014
Stuart Read	Stuart has developed expertise in board governance through his role as Company Secretary of Superpartners, Australia's largest industry superannuation fund. Graduating from Melbourne University with a BA and LLB he has since completed two Graduate Diploma's – in organisational dynamics and corporate governance. Stuart is a Castlemaine resident. Member of the Finance & Risk Committee; Health, Safety & Environment Committee and Future Generation Working Group.	Appointed 10 November 2017
Justine Watson	Justine has been working in public sector executive teams, leading transformational and regulatory change programs. She serves on the board of the More To Life Foundation and is a founding member of the Compassionate Ballarat Steering Group and holds Australian Public Service Medal for Strategy Leadership. Justine currently lives in Daylesford.	Appointed 19 December 2018

Directors' Report
For the Year Ended 30 June 2020

Meetings of directors

During the financial year 5 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Meetings attended	Meetings eligible to attend
Graham White	5	5
Mark Fogarty	4	5
Linda Hancock	4	5
Paul Houghton	4	5
David Perry	5	5
Stuart Read	5	5
Justine Watson	1	5

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2020, in accordance with section 307C of the *Corporations Act 2001*, has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:..
Graham White

Director:..
David Perry

Dated: 20 October 2020

20 Lydiard Street South
Ballarat VIC 3350

PO Box 605
Ballarat VIC 3353

call (03) 5331 3711
email ppt@ppt.com.au
visit ppt.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Hepburn Community Wind Park Co-operative Ltd and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PPT Audit Pty Ltd
....
PPT Audit Pty Ltd

....
Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat, VIC 3350

Dated: 20 October 2020

Hepburn Community Wind Park Co-operative Ltd
ABN 87 572 206 200

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Revenue	2	**1,472,770**	1,670,804	**421,663**	600,429
Administrative expenses	3	**(78,217)**	(73,694)	**(54,834)**	(51,288)
Communications, public meetings and events	4	**(7,279)**	(3,934)	**(7,279)**	(3,934)
Personnel expenses	5	**(75,349)**	(73,262)	**(75,349)**	(73,262)
Depreciation and amortisation	6	**(494,924)**	(462,898)	**(1,284)**	(1,280)
Interest	7	**(18,835)**	-	**-**	-
Other operating expenses	8	**(388,335)**	(401,050)	**(14,481)**	(14,050)
Community contributions	9	**(31,843)**	(34,160)	**(31,843)**	(34,160)
Profit before income tax		**377,988**	621,806	**236,593**	422,455
Income tax (expense)/benefit	10	**(107,885)**	(175,247)	**33,510**	24,104
Profit for the year		**270,103**	446,559	**270,103**	446,559
Other comprehensive income:					
Other comprehensive income for the year, net of tax		**-**	-	**-**	-
Total comprehensive income for the year		**270,103**	446,559	**270,103**	446,559

The group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Hepburn Community Wind Park Co-operative Ltd
ABN 87 572 206 200

Statement of Financial Position
As At 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Assets					
Current Assets					
Cash and cash equivalents	11	**2,234,114**	1,162,878	**2,081,052**	804,554
Current tax assets	19(a)	**18,377**	-	**165,646**	147,057
Trade and other receivables	12	**249,426**	273,745	**25,282**	23,849
Inventories	13	**6,316**	43,816	**-**	-
Other financial assets	14	**1,214,578**	1,089,054	**1,214,578**	1,089,054
Total Current Assets		**3,722,811**	2,569,493	**3,486,558**	2,064,514
Non-Current Assets					
Investments in subsidiaries	15	**-**	-	**20**	20
Loans to related entities	16	**-**	-	**6,925,567**	8,011,178
Property, plant and equipment	17	**7,389,117**	7,647,363	**21,284**	22,568
Right-of-use assets	18(a)	**762,911**	-	**-**	-
Deferred tax assets	19(b)	**5,313**	-	**885**	-
Total Non-Current Assets		**8,157,341**	7,647,363	**6,947,756**	8,033,766
Total Assets		**11,880,152**	10,216,856	**10,434,314**	10,098,280
Liabilities					
Current Liabilities					
Current tax liabilities	19(c)	**-**	52,885	**-**	-
Trade and other payables	20	**133,676**	83,334	**74,785**	19,090
Provisions	21	**48,752**	42,578	**48,752**	42,578
Lease liabilities	18(b)	**8,126**	-	**-**	-
Income in advance	22	**601,290**	-	**-**	-
Total Current Liabilities		**791,844**	178,797	**123,537**	61,668
Non-Current Liabilities					
Deferred tax liabilities	19(d)	**-**	5,084	**-**	3,638
Borrowings	23	**1**	1	**-**	-
Lease liabilities	18(b)	**777,530**	-	**-**	-
Total Non-Current Liabilities		**777,531**	5,085	**-**	3,638
Total Liabilities		**1,569,375**	183,882	**123,537**	65,306
Net Assets		**10,310,777**	10,032,974	**10,310,777**	10,032,974

The group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2020

		Consolidated		Parent	
		2020	2019	2020	2019
	Note	$	$	$	$
Equity					
Issued capital	24	**9,949,411**	9,941,711	**9,949,411**	9,941,711
Retained earnings		**361,366**	91,263	**361,366**	91,263
Total Equity		**10,310,777**	10,032,974	**10,310,777**	10,032,974

The group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Consolidated			
	Members capital	Share premium reserve	Retained earnings	Total
	$	$	$	$
2020				
Balance at 1 July 2019	**9,933,110**	**8,601**	**91,263**	**10,032,974**
Profit attributable to members of the consolidated group	**-**	**-**	**270,103**	**270,103**
Shares issued during the year	**7,000**	**700**	**-**	**7,700**
Balance at 30 June 2020	**9,940,110**	**9,301**	**361,366**	**10,310,777**
2019				
Balance at 1 July 2018	9,956,085	7,849	(97,177)	9,866,757
Profit attributable to members of the consolidated group	-	-	446,559	446,559
Shares issued during the year	8,525	852	-	9,377
Shares bought back during the year	(31,500)	(100)	-	(31,600)
Dividends paid	-	-	(258,119)	(258,119)
Balance at 30 June 2019	9,933,110	8,601	91,263	10,032,974

	Parent			
	Members capital	Share premium reserve	Retained earnings	Total
	$	$	$	$
2020				
Balance at 1 July 2019	**9,933,110**	**8,601**	**91,263**	**10,032,974**
Profit attributable to members of the parent entity	**-**	**-**	**270,103**	**270,103**
Shares issued during the year	**7,000**	**700**	**-**	**7,700**
Balance at 30 June 2020	**9,940,110**	**9,301**	**361,366**	**10,310,777**
2019				
Balance at 1 July 2018	9,956,085	7,849	(97,177)	9,866,757
Profit attributable to members of the parent entity	-	-	446,559	446,559
Shares issued during the year	8,525	852	-	9,377
Shares bought back during the year	(31,500)	(100)	-	(31,600)
Dividends paid	-	-	(258,119)	(258,119)
Balance at 30 June 2019	9,933,110	8,601	91,263	10,032,974

The group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Cash flows from operating activities:					
Receipts from customers		**2,075,119**	1,691,285	**14,542**	3,091
Payments to suppliers and employees		**(535,198)**	(578,490)	**(132,204)**	(165,295)
Interest received		**44,904**	20,352	**44,137**	16,425
Income tax (paid)/received		**(189,544)**	(99,034)	**10,398**	(99,034)
Net cash provided by/(used in) operating activities	25	**1,395,281**	1,034,113	**(63,127)**	(244,813)
Cash flows from investing activities:					
Purchase of property, plant and equipment		**(206,221)**	(22,628)	**-**	(609)
Loan repayments from related parties		**-**	-	**1,457,449**	961,753
Payment for financial assets		**(125,524)**	(704,054)	**(125,524)**	(704,054)
Net cash (used in)/provided by investing activities		**(331,745)**	(726,682)	**1,331,925**	257,090
Cash flows from financing activities:					
Proceeds from share applications		**7,700**	3,410	**7,700**	3,410
Dividends paid		**-**	(251,025)	**-**	(251,025)
Net cash provided by/(used in) financing activities		**7,700**	(247,615)	**7,700**	(247,615)
Net increase in cash and cash equivalents held		**1,071,236**	59,816	**1,276,498**	(235,338)
Cash and cash equivalents at beginning of year		**1,162,878**	1,103,062	**804,554**	1,039,892
Cash and cash equivalents at end of financial year	11	**2,234,114**	1,162,878	**2,081,052**	804,554

The group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report includes the consolidated financial statements and notes of Hepburn Community Wind Park Co-operative Ltd and its controlled entity (the group) and the separate financial statements and notes of Hepburn Community Wind Park Co-operative Ltd as an individual parent entity (Parent). Hepburn Community Wind Park Co-operative is a for profit co-operative incorporated and domiciled in Australia.

1 Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Change in accounting policy

All accounting standards which became mandatory for the first time in the reporting period ended 30 June 2020 have been adopted by the group.

Leases - Adoption of AASB 16

The group has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

The impact of Adoption of AASB 16 is described below:

The Group as a lessee

Under AASB 117, the group assessed whether leases were operating leases or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of lease are recognised on the consolidated statement of financial position (except for short-term leases and leases of low value assets).

Practical expediencies used on transition

AASB 16 includes a number of practical expediencies which can be used on transition. The group has used the following expedients:
- lease liabilities have been discounted using the group's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease; and
- for leases which were classified as finance leases under AASB 117 the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Group has recognised a right-of-use asset of $787,203 and lease liabilities of $787,203 at 1 July 2019 for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.85%. The incremental borrowing rate is based on the borrowing rates advertised by the group's banker, Bendigo & Adelaide Bank Limited, at the adoption of AASB 16.

The Group as a lessor

For the arrangements where the group is a lessor there have been no changes to accounting policies on adoption of AASB 16.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Hepburn Community Wind Park Co-operative Ltd at the end of the reporting period. A controlled entity is any entity over which Hepburn Community Wind Park Co-operative Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 30 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(e) Inventories

The Group receives Large-scale Generation Certificates (LGCs) arising from its generation of renewable energy, which it holds available for sale. The LGCs have been valued using the Mercari Mid Point Index Spot Price at which the LGCs could be sold immediately following the balance date.

All other items of inventory are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Property, plant and equipment

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

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a prime cost or diminishing value basis over the asset's useful life to commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

Plant and grid connection assets are depreciated at a rate of 4% prime cost basis.
Office equipment assets are depreciated at rates of 13.33% - 66.66% diminishing value basis.

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

(g) Intangibles and amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Financial instruments

Classification

On initial recognition the group classifies its financial assets, according to the basis on which they are measured, at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:
- the busines model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

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

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the group's historical experience and informed credit assessment and including forward looking information.

The group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:
- the other party is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

- Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expeccted loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss

- Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(i) Trade and other payables

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

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Notes to the Financial Statements

For the Year Ended 30 June 2020

(k) Income tax

Hepburn Community Wind Park Co-operative Ltd and its wholly owned Australian subsidiaries have formed an income tax consolidated group. All members of the income tax consolidated group are taxed as a single entity.

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit). Each entity in the income tax consolidated group reports its contribution to the income tax expense (benefit) of the consolidated group. Tax losses incurred by members of the income tax consolidated group are applied to reduce any tax payable by the other entities in the income tax group prior to giving rise to deferred tax assets.

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

(l) Leases

For current year

At inception of a contract, the Group assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:
- the contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement (if the supplier has a substantive substitution right then there is no identified asset),
- the group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use, and
- the group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lessee accounting

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For comparative years

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term

(m) Revenue and other income

Revenue is recognised under AASB 15 on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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Notes to the Financial Statements
For the Year Ended 30 June 2020

Grant income

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are initially credited to deferred income at fair value and are credited to income as the expenditure on the assets required to satisfy the grant conditions are met.

(n) Borrowing costs

Borrowing costs are recorded as intangible assets and are amortised over the shorter of the life of the related borrowings or five years.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevent 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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparative figures

Comparative figures are consistent with prior years unless otherwise stated in the notes.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	$	$	$	$
2 Revenue				
Operating revenue				
Electricity	**771,419**	1,014,557	**-**	-
Large-scale Generation Certificates	**447,707**	646,173	**877**	-
Transmission use of system income	**29,773**	43,666	**-**	-
Movement in inventory of Large-scale Generation Certificates	**(37,500)**	(117,868)	-	(5,021)
	1,211,399	1,586,528	**877**	(5,021)
Other revenue				
Dividend income	**-**	-	**371,838**	525,562
Donation of shares	-	30,600	-	30,600
Donation of artwork	-	12,000	-	12,000
Interest income	**36,893**	36,232	**36,260**	32,589
Site tours	-	513	-	513
Other income	**10,900**	500	**10,900**	500
Solar farm grants	**70,000**	-	**-**	-
HCAP grants	**141,210**	-	**-**	-
Community fund contributions from retailers	**2,368**	3,358	**1,788**	2,613
Other community fund contributions	**-**	1,073	**-**	1,073
	261,371	84,276	**420,786**	605,450
	1,472,770	1,670,804	**421,663**	600,429

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	$	$	$	$
3 Administrative expenses				
Accounting fees	**12,210**	11,130	**6,105**	5,565
Audit fees	**5,550**	5,400	**2,775**	2,700
Bank charges	**1,164**	876	**146**	70
Bookkeeping	**7,004**	7,417	**3,502**	3,708
Consulting fees	**9,300**	12,278	**9,300**	12,278
Legal services	**6,000**	1,818	**6,000**	1,818
Management accounting expense	**19,100**	17,925	**9,550**	8,963
Office supplies and information technology	**7,486**	4,713	**7,320**	4,312
Secretarial fees	**709**	393	**442**	130
Share registry	**8,857**	11,122	**8,857**	11,122
Website expenses	**837**	622	**837**	622
	78,217	73,694	**54,834**	51,288
4 Communications, public meetings and events				
Contributions to landowner	**98**	90	**98**	90
Merchandise written off	**318**	-	**318**	-
Public events and meetings	**6,604**	3,625	**6,604**	3,625
Other communication expenses	**259**	219	**259**	219
	7,279	3,934	**7,279**	3,934
5 Personnel expenses				
Superannuation contributions	**8,569**	5,798	**8,569**	5,798
Wages, salaries and contractors	**90,198**	61,030	**90,198**	61,030
Workcover	**216**	184	**216**	184
Movement in leave provisions	**6,719**	6,250	**6,719**	6,250
HCAP capitalised wages	**(30,353)**	-	**(30,353)**	-
	75,349	73,262	**75,349**	73,262

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
6 Depreciation and amortisation				
Depreciation - plant and equipment	**464,467**	462,898	**1,284**	1,280
Depreciation - right-of-use asset	**30,457**	-	**-**	-
	494,924	462,898	**1,284**	1,280
7 Interest				
Interest - right-of-use asset	**18,835**	-	**-**	-
	18,835	-	**-**	-
8 Other operating expenses				
Insurance	**47,201**	44,316	**11,011**	10,840
Licence fees	**2,950**	2,225	**1,000**	1,000
Municipal payment in lieu of rates	**6,163**	16,165	**-**	-
Office rent	**4,940**	4,420	**2,470**	2,210
Wind farm rent	**-**	26,097	**-**	-
Wind farm operation	**327,081**	307,827	**-**	-
	388,335	401,050	**14,481**	14,050
9 Community contributions				
Community fund grants	**23,750**	3,401	**23,750**	3,401
Energy fund	**5,238**	12,195	**5,238**	12,195
Local benefit program	**900**	8,981	**900**	8,981
Sponsorships	**2,500**	2,000	**2,500**	2,000
Provision for community fund programme	**(545)**	7,583	**(545)**	7,583
	31,843	34,160	**31,843**	34,160

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Income tax expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Prima facie tax expense on profit before income tax at 27.5% (2019: 27.5%)	**103,947**	170,996	**65,063**	116,175
Add / (less) tax effect of:				
- Non-deductible expenses	**6,531**	2,165	**6,531**	2,165
- Non-taxable inter-company dividends	**-**	-	**(102,256)**	(144,530)
- Movement in non deductible provisions	**(149)**	2,086	**(149)**	2,086
- Non assessable cashflow boost	**2,750**	-	**2,750**	-
- Change in company tax rate	**(306)**	-	**(51)**	-
Income tax expense/(benefit)	**107,885**	175,247	**(33,510)**	(24,104)
11 Cash and cash equivalents				
Operating accounts	**207,236**	378,970	**54,174**	20,646
Short-term bank deposits	**1,983,426**	754,868	**1,983,426**	754,868
Community fund accounts	**43,452**	29,040	**43,452**	29,040
	2,234,114	1,162,878	**2,081,052**	804,554
12 Trade and other receivables				
Trade receivables and accrued income	**226,461**	225,936	**-**	-
Other trade receivables	**-**	165	**-**	165
	226,461	226,101	**-**	165
Accrued interest income	**10,970**	18,981	**10,964**	18,841
GST receivable	**-**	-	**14,318**	4,031
Prepayments	**11,995**	27,851	**-**	-
Other receivables	**-**	812	**-**	812
	22,965	47,644	**25,282**	23,684
	249,426	273,745	**25,282**	23,849

Notes to the Financial Statements
For the Year Ended 30 June 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	$	$	$	$
13 Inventories				
Large-scale Generation Certificates	**6,316**	43,816	**-**	-
	6,316	43,816	**-**	-
14 Other financial assets				
Bank Term Deposits	**1,214,578**	1,089,054	**1,214,578**	1,089,054
	1,214,578	1,089,054	**1,214,578**	1,089,054
15 Investments in subsidiaries				
Leonards Hill Wind Operations Pty Ltd	**-**	-	**20**	20
	-	-	**20**	20
16 Loans to related entities				
Leonards Hill Wind Operations Pty Ltd	**-**	-	**6,925,567**	8,011,178
	-	-	**6,925,567**	8,011,178

Notes to the Financial Statements
For the Year Ended 30 June 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	$	$	$	$
17 Property, plant and equipment				
Wind farm development, compliance and project management				
At cost	**326,870**	326,870	**-**	-
Accumulated depreciation	**(97,476)**	(84,366)	**-**	-
	229,394	242,504	**-**	-
Wind farm construction				
At cost	**11,154,801**	11,154,801	**-**	-
Accumulated depreciation	**(4,255,232)**	(3,807,971)	**-**	-
	6,899,569	7,346,830	**-**	-
Office and other equipment				
At cost	**14,656**	11,254	**-**	-
Accumulated depreciation	**(8,948)**	(6,136)	**-**	-
	5,708	5,118	**-**	-
Future energy generation projects				
At cost	**117,529**	55,752	**25,409**	25,409
Accumulated depreciation	**(4,125)**	(2,841)	**(4,125)**	(2,841)
	113,404	52,911	**21,284**	22,568
High voltage customer assistance program				
At cost	**141,042**	-	**-**	-
	141,042	-	**-**	-
Total property, plant and equipment	**7,389,117**	7,647,363	**21,284**	22,568

Notes to the Financial Statements
For the Year Ended 30 June 2020

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Wind farm development, compliance and project management	Wind farm construction	Office and other equipment	Future energy generation projects	High voltage customer assistance program	**Total**
	$	$	$	$	$	**$**
Year Ended 30 June 2020						
Balance at the beginning of year	242,504	7,346,830	5,118	52,911	-	**7,647,363**
Additions	-	-	3,402	61,777	**141,042**	**206,221**
Depreciation expense	(13,110)	(447,261)	(2,812)	(1,284)	-	**(464,467)**
Balance at 30 June 2020	**229,394**	**6,899,569**	**5,708**	**113,404**	**141,042**	**7,389,117**
Year Ended 30 June 2019						
Balance at the beginning of year	255,579	7,792,868	6,985	20,201	-	8,075,633
Additions	-	-	638	33,990	-	34,628
Depreciation expense	(13,075)	(446,038)	(2,505)	(1,280)	-	(462,898)
Balance at 30 June 2019	242,504	7,346,830	5,118	52,911	-	7,647,363

Notes to the Financial Statements
For the Year Ended 30 June 2020

18 Leases

The Group as a lessee

The group has a lease over land. The group has chosen not to apply AASB 16 to leases of intangible assets. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The Company leases the farm land that the wind turbines are construed on. The lease was renewed in July 2020 for a five year term, with the option of four more terms of five years.

	Consolidated		Parent	
	2020	2019	2020	2019
	$	$	$	$
(a) Right-of-use assets				
Right -of-use asset over land	**793,368**	-	-	-
Less accumulated depreciation	**(30,457)**	-	-	-
	762,911	-	-	-

Movement in carrying amounts

Consolidated	**Right-of-use asset over land** $	**Total** $
Year ended 30 June 2020		
Initial adoption of AASB 16	**787,203**	**787,203**
Revaluation due to changes in lease payments	**6,165**	**6,165**
Depreciation charge	**(30,457)**	**(30,457)**
Balance at end of year	**762,911**	**762,911**

Notes to the Financial Statements
For the Year Ended 30 June 2020

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
(b) Lease liabilities				
Current				
Lease of land	**8,126**	-	-	-
	8,126	-	-	-
Non current				
Lease of land	**377,530**	-	-	-
Provision of make good	**400,000**	-	-	-
	777,530	-	-	-
	785,656	-	-	-

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	Consolidated				
	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement Of Financial Position $
2020					
Lease liabilities	**26,651**	**106,605**	**933,023**	**1,066,279**	**785,656**

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Notes to the Financial Statements
For the Year Ended 30 June 2020

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
19 Tax assets and liabilities				
(a) Current tax assets				
Provision for income tax	**18,377**	-	**165,646**	147,057
	18,377	-	**165,646**	147,057
(b) Deferred tax assets				
Deferred tax assets/(liabilities) comprise the tax effect of:				
Expenses not deductible until paid	**5,991**	-	**5,991**	-
Right-of-use asset	**5,914**	-	**-**	-
Differences in accounting and tax depreciation rates	**(3,740)**	-	**(2,255)**	-
Income not assessable until received	**(2,852)**	-	**(2,851)**	-
	5,313	-	**885**	-
(c) Current tax liabilities				
Provision for income tax	**-**	52,885	**-**	-
	-	52,885	**-**	-
(d) Deferred tax liabilities				
Deferred tax assets/(liabilities) comprise the tax effect of:				
Expenses not deductible until paid	**-**	(4,282)	**-**	(4,282)
Differences in accounting and tax depreciation rates	**-**	4,146	**-**	2,739
Income not assessable until received	**-**	5,220	**-**	5,181
	-	5,084	**-**	3,638

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
20 Trade and other payables				
Trade payables	**109,848**	28,895	**65,307**	13,543
GST payable	**14,350**	48,852	**-**	-
PAYG withholding payable	**6,540**	3,720	**6,540**	3,720
Superannuation payable	**2,173**	1,420	**2,173**	1,420
Other payables	**765**	447	**765**	407
	133,676	83,334	**74,785**	19,090
21 Provisions				
Provision for leave entitlements	**20,869**	14,150	**20,869**	14,150
Provision for community fund programme (i)	**27,883**	28,428	**27,883**	28,428
	48,752	42,578	**48,752**	42,578

(i) Community Fund

The Co-operative operates a Community Fund for the purpose of making contributions to local community groups. The Co-operative maintains a separate bank account on behalf of the Community Fund. The balance of the Community Fund account and transactions during the year are included in the statement of financial position and statement of comprehensive income of the Co-operative. The amounts applied to (by) the Community Fund and the provision for the balance of funds available for use by the Community Fund are set out below:

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Opening community fund balance	**28,428**	20,845	**28,428**	20,845
Contribution by Co-operative	**30,000**	30,000	**30,000**	30,000
Contributions by energy retailers	**1,788**	2,613	**1,788**	2,613
Other contributions	**-**	1,260	**-**	1,260
Interest income	**55**	288	**55**	288
Grants to community groups	**(23,750)**	(3,401)	**(23,750)**	(3,401)
Sponsorships to community groups	**(2,500)**	(2,000)	**(2,500)**	(2,000)
Local benefit program	**(900)**	(8,982)	**(900)**	(8,982)
Energy fund	**(5,238)**	(12,195)	**(5,238)**	(12,195)
	27,883	28,428	**27,883**	28,428

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
22 Income in advance				
HCAP grants	**601,290**	-	**-**	-
	601,290	-	**-**	-

The Group has received grants totalling $742,500 as part of the High Voltage Capital Assistance program. The terms of the grant require that certain milestones are met for the Group to become entitled to the grant amounts. Any unexpended amounts are required to be repaid. At 30 June 2020 the company had met milestones enabling $141,210 of the grants received to be recorded as income. The balance has been recorded as a liability and will be either brought to account as income or will be repaid as the remaining milestones are completed.

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
23 Borrowings				
Bank Loans				
Bendigo and Adelaide Bank	**1**	1	**-**	-
	1	1	**-**	-

The limit of the bank loan facility from Bendigo and Adelaide Bank at 30 June 2020 was $500,000 (30 June 2019: $500,000).

The Bendigo and Adelaide Bank holds the following securities in relation to the bank loan:

- Registered Mortgage Debenture over Leonards Hill Wind Operations Pty Ltd.
- Unlimited Guarantee and Indemnity from Hepburn Community Wind Park Co-operative Ltd.
- Mortgage of Lease incorporating right of access over property situated at Leonards Hill, Victoria in the name of Leonards Hill Wind Operations Pty Ltd.
- Registered Charge over Hepburn Community Wind Park Co-operative Ltd.

Notes to the Financial Statements
For the Year Ended 30 June 2020

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
24 Issued capital				
9,940,110 ordinary shares (2019: 9,933,110)	**9,940,110**	9,933,110	**9,940,110**	9,933,110
Share premium reserve	**9,301**	8,601	**9,301**	8,601
	9,949,411	9,941,711	**9,949,411**	9,941,711

Ordinary shares participate in dividends and the proceeds on winding up of the Co-operative in proportion to the number of shares held. At a meeting of shareholders of the Co-operative each member is entitled to one vote when a poll is called, regardless of the number of shares held.

Issued capital may be required to be treated as a liability if there is a right for members to request redemption, or if a member's funds must be repaid, for example as a result of the member not meeting the active member test. The rules of the Co-operative do not provide for members to request redemption, however, repayment of issued capital may be required within twelve months after a member has been inactive or uncontactable for three years. No issued capital is currently repayable and, accordingly, issued capital has been treated as equity.

Ordinary shares for which application was made after 1 July 2011 have been issued at a premium to the nominal value of $1.00 per share. Any premium paid for shares issued are allocated to the share premium reserve.

	Consolidated 2020 No.	Consolidated 2019 No.	Parent 2020 No.	Parent 2019 No.
(a) Ordinary shares				
At the beginning of the reporting period	**9,933,110**	9,956,085	**9,933,110**	9,956,085
Shares issued during the year (i)	**7,000**	8,525	**7,000**	8,525
Shares bought back during the year (ii)	**-**	(31,500)	**-**	(31,500)
At the end of the reporting period	**9,940,110**	9,933,110	**9,940,110**	9,933,110

Notes to the Financial Statements
For the Year Ended 30 June 2020

25 Cash flow information

Reconciliation of net profit for the year to cash flows provided by operating activities:

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Profit for the year	**270,103**	446,559	**270,103**	446,559
Non-cash flows in profit:				
Depreciation and amortisation	**464,467**	462,898	**1,284**	1,280
Depreciation right-of-use asset	**30,457**	-	**-**	-
Inter-company dividends	**-**	-	**(371,838)**	(525,562)
Dividends gifted back to the Co-op	**-**	(1,072)	**-**	(1,072)
Share capital gifted back to the Co-op	**-**	(30,600)	**-**	(30,600)
Donation of artwork	**-**	(12,000)	**-**	(12,000)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
(Increase)/decrease in accrued income, trade and other receivables	**625,609**	(27,901)	**8,854**	(16,701)
(Increase)/decrease in inventories	**37,500**	117,868	**-**	5,021
(Increase)/decrease in deferred taxes	**(81,659)**	76,214	**(4,523)**	23,919
(Increase)/decrease in current tax assets	**-**	-	**(18,589)**	(147,057)
Increase/(decrease) in lease liabilities	**(7,712)**	-	**-**	-
Increase/(decrease) in trade and other payables	**50,342**	(11,686)	**45,408**	(2,433)
(Increase)/decrease in provision for employee entitlements	**6,719**	6,250	**6,719**	6,250
(Increase)/decrease in provision for community fund grants	**(545)**	7,583	**(545)**	7,583
Cashflow from operations	**1,395,281**	1,034,113	**(63,127)**	(244,813)

26 Matters or circumstances arising after the end of the year

Subsequent to the end of the reporting period, the Australian economy has continued to be significantly impacted by the COVID-19 pandemic. The wholesale electricity prices has continued to be significantly reduced and there is inherent uncertainty in relation to when the impact of the pandemic on prices may end.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group , the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2020

27 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated		Parent	
	2020	2019	2020	2019
	$	$	$	$
Financial Assets				
Cash and cash equivalents	**2,234,114**	1,162,878	**2,081,052**	804,554
Trade and other receivables	**249,426**	273,745	**25,282**	23,849
Other financial investments	**1,214,578**	1,089,054	**1,214,578**	1,089,054
Loans to related parties	**-**	-	**6,925,567**	8,011,178
Total financial assets	**3,698,118**	2,525,677	**10,246,479**	9,928,635
Financial Liabilities				
Trade and other payables	**133,676**	83,334	**74,785**	19,090
Borrowings	**1**	1	**-**	-
Total financial liabilities	**133,677**	83,335	**74,785**	19,090

28 Related party transactions

Related parties

The Group's main related parties are as follows:

Key management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 29: Key Management Personnel Compensation.

Other related parties
Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions with related parties

There were no transactions with related parties during the financial year.

Hepburn Community Wind Park Co-operative Ltd
ABN 87 572 206 200

Notes to the Financial Statements
For the Year Ended 30 June 2020

29 Key management personnel compensation

The total remuneration paid to key management personnel of the Co-operative and its controlled entities was $78,395 (2019: $44,489).

30 Controlled entities

	Country of Incorporation	2020 Percentage Owned (%)*	2019 Percentage Owned (%)*
Leonards Hill Wind Operations Pty Ltd	Australia	**100**	100

* Percentage of voting power is in proportion to ownership

31 Contingent assets and liabilities

In the opinion of the Directors, the Group did not have any contingent assets or liabilities at 30 June 2020.

32 Co-operative details

The registered office and principal place of business of the Co-operative is:
Hepburn Community Wind Park Co-operative Ltd
13 Knox Street
Daylesford Victoria 3460

Hepburn Community Wind Park Co-operative Ltd
ABN 87 572 206 200

Directors' Declaration

The directors of the Co-operative declare that:

1. The financial statements and notes, as set out on pages 8 to 37 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards - Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Co-operative and its controlled entities.

2. In the directors' opinion, there are reasonable grounds to believe that the Co-operative and its controlled entities will be able to pay its debts as and when they become due and payable.

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

Director:..
Graham White

Director:..
David Perry

Dated: 20 October 2020

PPT AUDIT

20 Lydiard Street South
Ballarat VIC 3350

PO Box 605
Ballarat VIC 3353

call (03) 5331 3711
email ppt@ppt.com.au
visit ppt.com.au

Hepburn Community Wind Park Co-operative Ltd

Independent Audit Report to the members of Hepburn Community Wind Park Co-operative Ltd

Opinion

We have audited the financial report of Hepburn Community Wind Park Co-operative Ltd (the Co-operative) and its controlled entities (the Group), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, 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 30 June 2020 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

The directors of the Co-operative 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 the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

20 Lydiard Street South
Ballarat VIC 3350

PO Box 605
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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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PPT Audit Pty Ltd
....
PPT Audit Pty Ltd

....
Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat, VIC 3350

Dated: 21October 2020

02

2020 Financials

Leonards Hill Wind Operations Pty Ltd

Leonards Hill Wind Operations Pty Ltd

ABN 86 141 239 894

Financial Statements

For the Year Ended 30 June 2020

Contents

For the Year Ended 30 June 2020

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Directors' Report

For the Year Ended 30 June 2020

Your directors present their report on Leonards Hill Wind Operations Pty Ltd for the financial year ended 30 June 2020.

Directors

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

David Perry	Appointed as a director 14 November 2014
Graham White	Appointed as a director 7 November 2015

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

Principal activities

The principal activities of Leonards Hill Wind Operations Pty Ltd during the financial year were to:
- operate the wind farm comprising two wind turbines located at Leonards Hill in Victoria,
- develop a solar farm at Leonards Hill in Victoria, and
- optimise wind farm operations.

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating results

The profit of the Company for the year after providing for income tax amounted to $371,838 (2019: profit of $525,562).

Dividends paid or recommended

Dividends were paid to the parent entity totalling $371,838 during the year (2019: $525,562).

Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

Change in operations and maintenance service provider

During the prior year the Company’s operations and maintenance service provider, Senvion, went into administration. The Company has sought a suitable replacement provider and in the last quarter of the reporting period has entered into contracts with Vestas for the provision of maintenance for the wind turbines and for the provision of active output management in order to optimise the wind farms performance and for the balance of plant maintenance.

Material market changes

During the year the markets for electricity and Large-scale Generation Certificates have experienced significant changes which have impacted heavily on the Company’s financial performance.

Directors' Report

For the Year Ended 30 June 2020

The market price of Large-scale Generation Certificates during the 2018 financial year averaged around $80 per LGC (with fluctuations around this price during the year). The Renewable Energy Target (RET) scheme reached its maximum volume of 33,000 GWh per annum in 2020 with a continued requirement to provide LGCs to 2030. It had been anticipated by the market that LGCs would have an ongoing value until 2030. During the 2019 year it became apparent that there would be an oversupply of LGCs in future years and the oversupply, together with the impact of changes to the application of the Clean Energy Regulator surrender shortfall mechanism, resulted in a market response of a 50% reduction in prices during the 2019 financial year from around $80 to $40 per LGC. These factors have continued to impact on the prices of LGCs during the reporting period with average LGC price during the year of around $40 per LGC.

Over the reporting period there was a gradual reduction in the wholesale electricity price from around November 2019. During the year the Australian economy was significantly impacted by the COVID-19 pandemic and the significant reduction in electricity consumption from March 2020 also resulted in further reductions in the wholesale electricity price. The impact over the course of the year on the Victorian wholesale electricity price was a reduction from around $80 per MWh to around $35 per MWh by the end of the year.

The reductions in the market prices for LGCs and wholesale electricity has had a material impact on the revenue of the Company during the year.

Matters or circumstances arising after the end of the year

Subsequent to the end of the reporting period, the Australian economy has continued to be significantly impacted by the COVID-19 pandemic. The wholesale electricity prices has continued to be significantly reduced and there is inherent uncertainty in relation to when the impact of the pandemic on prices may end.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Environmental issues

The Company's operations are subject to significant environmental regulations under the laws of the Commonwealth and State of Australia. As a condition of the wind farm's planning permit, the company has implemented the following plans:

(i) Environmental Management Plan
(ii) Bird and Bat Monitoring Plan
(iii) Preliminary Off-site Landscaping and Visual Screening Plan
(iv) On-site Landscape and Visual Screening Plan
(v) Heritage Management Protection Plan
(vi) Fire Management Plan
(vii) Noise Compliance Plan

Where applicable, these plans (available at hepburnwind.com.au/planning) have been endorsed by Hepburn Shire Council as the responsible planning authority. The plans have been implemented by the company to the satisfaction of the responsible authority.

Directors' Report

For the Year Ended 30 June 2020

Indemnification and insurance of officers

Insurance premiums were paid during the financial year for indemnity insurance for directors and officers of the company.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2020, in accordance with section 307C of the *Corporations Act 2001*, has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:..
David Perry

Director:..
Graham White

Dated: 20 October 2020

PPT AUDIT

20 Lydiard Street South
Ballarat VIC 3350

PO Box 605
Ballarat VIC 3353

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email ppt@ppt.com.au
visit ppt.com.au

Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Leonards Hill Wind Operations Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PPT Audit Pty Ltd
....
PPT Audit Pty Ltd

....
Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat, VIC 3350

Dated: 20 October 2020

Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue	2	**1,422,947**	1,595,937
Administrative expenses	3	**(23,384)**	(22,406)
Depreciation and amortisation expense	4	**(493,640)**	(461,618)
Interest	5	**(18,835)**	-
Other operating expenses	6	**(373,855)**	(387,000)
Profit before income tax		**513,233**	724,913
Income tax expense	7	**(141,395)**	(199,351)
Profit for the year		**371,838**	525,562
Other comprehensive income:			
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**371,838**	525,562

The company has initally applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Statement of Financial Position

As At 30 June 2020

	Note	2020 $	2019 $
Assets			
Current Assets			
Cash and cash equivalents	8	**153,063**	358,323
Trade and other receivables	9	**238,462**	253,927
Inventories	10	**6,316**	43,816
Total Current Assets		**397,841**	656,066
Non-Current Assets			
Deferred tax assets	11(a)	**4,428**	-
Property, plant and equipment	12	**7,367,833**	7,624,795
Right-of-use assets	13(a)	**762,911**	-
Total Non-Current Assets		**8,135,172**	7,624,795
Total Assets		**8,533,013**	8,280,861
Liabilities			
Current Liabilities			
Provision for income tax	11(b)	**147,269**	199,941
Trade and other payables	14	**73,210**	68,275
Income in advance	15	**601,290**	-
Lease liabilities	13(b)	**8,126**	-
Total Current Liabilities		**829,895**	268,216
Non-Current Liabilities			
Deferred tax liabilities	11(c)	**-**	1,446
Borrowings	16	**6,925,568**	8,011,179
Lease liabilities	13(b)	**777,530**	-
Total Non-Current Liabilities		**7,703,098**	8,012,625
Total Liabilities		**8,532,993**	8,280,841
Net Assets		**20**	20
Equity			
Issued capital	17	**20**	20
Total Equity		**20**	20

The company has initally applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Issued capital $	Retained profits $	Total $
2020			
Balance at 1 July 2019	**20**	**-**	**20**
Profit attributable to members of the parent entity	**-**	**371,838**	**371,838**
Dividends paid	**-**	**(371,838)**	**(371,838)**
Balance at 30 June 2020	**20**	**-**	**20**
2019			
Balance at 1 July 2018	20	-	20
Profit attributable to members of the parent entity	-	525,562	525,562
Dividends paid	-	(525,562)	(525,562)
Balance at 30 June 2019	20	-	20

The Company has initally applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities:			
Receipts from customers		**2,060,579**	1,688,194
Payments to suppliers and employees		**(402,995)**	(413,196)
Interest received		**767**	3,927
Income tax paid		**(199,941)**	-
Net cash provided by operating activities	19	**1,458,410**	1,278,925
Cash flows from investing activities:			
Payments for property, plant and equipment		**(206,221)**	(22,019)
Net cash used in investing activities		**(206,221)**	(22,019)
Cash flows from financing activities:			
Net repayments of related party loans		**(1,457,449)**	(961,753)
Net cash used in financing activities		**(1,457,449)**	(961,753)
Net increase in cash and cash equivalents held		**(205,260)**	295,153
Cash and cash equivalents at beginning of year		**358,323**	63,170
Cash and cash equivalents at end of financial year	8	**153,063**	358,323

The company has initally applied AASB 16 using the cumulative effect method and has not restated comparatives.
The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements are for Leonards Hill Wind Operations Pty Ltd as an individual entity. Leonards Hill Wind Operations Pty Ltd is a for profit proprietary company, incorporated and domiciled in Australia.

1 Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Adoption of new and revised accounting standards

All accounting standards which became mandatory for the first time in the reporting period ended 30 June 2020 have been adopted by the Company.

Leases - Adoption of AASB 16

The company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

The impact of Adoption of AASB 16 is described below:

The Company as a lessee

Under AASB 117, the company assessed whether leases were operating leases or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of lease are recognised on the consolidated statement of financial position (except for short-term leases and leases of low value assets).

Practical expediencies used on transition

AASB 16 includes a number of practical expediencies which can be used on transition. The company has used the following expedients:

- lease liabilities have been discounted using the company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease; and
- for leases which were classified as finance leases under AASB 117 the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The company has recognised a right-of-use asset of $787,203 and lease liabilities of $787,203 at 1 July 2019 for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.85%. The incremental borrowing rate is based on the borrowing rates advertised by the company's banker, Bendigo & Adelaide Bank Limited, at the adoption of AASB 16.

The company as a lessor

For the arrangements where the company is a lessor there have been no changes to accounting policies on adoption of AASB 16.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) Inventories

The company receives Large-scale Generation Certificates (LGCs) arising from its generation of renewable energy, which it holds available for sale. The LGCs have been valued using the Mercari Mid Point Index Spot Price at which the LGCs could be sold immediately following the balance date.

All other items of inventory are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Notes to the Financial Statements
For the Year Ended 30 June 2020

(e) Property, plant and equipment

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

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a prime cost or diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

(f) Intangibles and amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Financial instruments

Classification

On initial recognition the company classifies its financial assets, according to the basis on which they are measured, at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:
- the busines model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

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

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the company's historical experience and informed credit assessment and including forward looking information.

The company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The company uses the presumption that a financial asset is in default when:
- the other party is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Leonards Hill Wind Operations Pty Ltd
ABN 86 141 239 894

Notes to the Financial Statements
For the Year Ended 30 June 2020

Credit losses are measured as the present value of the difference between the cash flows due to the company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

- Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

- Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(h) Trade and other payables

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

(i) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(j) Income tax

The company is a member of the Hepburn Community Wind Park Co-operative Ltd income tax consolidated group. All members of the income tax consolidated group are taxed as a single entity.

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit). Each entity in the income tax consolidated group reports its contribution to the income tax expense (benefit) of the consolidated group. Tax losses incurred by members of the income tax consolidated group are applied to reduce any tax payable by the other entities in the income tax group prior to giving rise to deferred tax assets.

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

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

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

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

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

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

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

(k) Leases

For current year

At inception of a contract, the Company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:
- the contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement (If the supplier has a substantive substitution right then there is no identified asset),
- the company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use, and
- the company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lessee accounting

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Revenue and other income

Revenue is recognised under AASB 15 on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are intially credited to deferred income at fair value and are credited to income as the expenditure on the assets required to satisfy the grant conditions are met.

(m) Borrowing costs

Borrowing costs are recorded as intangible assets and are amortised over the shorter of the life of the related borrowings or five years.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant 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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Comparative figures

Comparative figures are consistent with prior years unless otherwise stated in the notes.

Notes to the Financial Statements
For the Year Ended 30 June 2020

	2020 $	2019 $
2 Revenue		
Operating revenue		
Electricity	**771,421**	1,014,556
Large-scale Generation Certificates	**446,830**	646,173
Transmission use of system income	**29,773**	43,666
Movement in inventory of Large-scale Generation Certificates	**(37,500)**	(112,847)
	1,210,524	1,591,548
Other revenue		
Interest income	**633**	3,644
Solar farm grants	**70,000**	-
HCAP grants	**141,210**	-
Community fund contributions from retailers	**580**	745
	212,423	4,389
	1,422,947	1,595,937
3 Administrative expenses		
Accounting fees	**6,105**	5,565
Audit fees	**2,775**	2,700
Bank charges	**1,019**	807
Bookkeeping	**3,502**	3,708
Management accounting expense	**9,550**	8,963
Office supplies and information technology	**166**	400
Secretarial fees	**267**	263
	23,384	22,406
4 Depreciation and amortisation		
Depreciation - plant and equipment	**463,183**	461,618
Depreciation - right-of-use asset	**30,457**	-
	493,640	461,618
5 Interest		
Interest - right-of-use asset	**18,835**	-
	18,835	-

Notes to the Financial Statements
For the Year Ended 30 June 2020

	2020 $	2019 $
6 Other operating expenses		
Insurance	**36,191**	33,476
Licence fees	**1,950**	1,225
Municipal payment in lieu of rates	**6,163**	16,165
Office rent	**2,470**	2,210
Wind farm rent	**-**	26,097
Wind farm operation	**327,081**	307,827
	373,855	387,000

7 Income tax expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2020 $	2019 $
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	**141,140**	199,351
Less tax effect of change in company tax rate on deferred taxes	**255**	-
	141,395	199,351
8 Cash and cash equivalents		
Operating accounts	**153,063**	358,323
	153,063	358,323
9 Trade and other receivables		
Trade receivables	**226,461**	225,936
Accrued interest income	**6**	140
Prepayments	**11,995**	27,851
	238,462	253,927
10 Inventories		
Large-scale Generation Certificates	**6,316**	43,816
	6,316	43,816

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 $	2019 $
11 Tax assets and liabilities		
(a) Deferred tax assets		
Deferred tax assets (liabilities) comprise the tax effect of:		
- Right-of-use asset	**5,914**	-
- Differences in accounting and tax depreciation rates	**(1,484)**	-
- Income not assessable until received	**(2)**	-
	4,428	-
(b) Current tax liabilities		
Provision for income tax	**147,269**	199,941
	147,269	199,941
(c) Deferred tax liabilities		
Deferred tax liabilities comprise the tax effect of:		
- Difference in accounting and tax depreciation rates	**-**	1,407
- Income not assessable until received	**-**	39
	-	1,446

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 $	2019 $
12 Property, plant and equipment		
Wind farm development, compliance and project management		
At cost	**326,870**	326,870
Accumulated depreciation	**(97,476)**	(84,366)
	229,394	242,504
Wind farm construction		
At cost	**11,154,801**	11,154,801
Accumulated depreciation	**(4,255,232)**	(3,807,971)
	6,899,569	7,346,830
Office and other equipment		
At cost	**14,656**	11,254
Accumulated depreciation	**(8,948)**	(6,136)
	5,708	5,118
Future energy generation projects		
At cost	**92,120**	30,343
	92,120	30,343
High voltage customer assistance program		
At cost	**141,042**	-
	141,042	-
Total property, plant and equipment	**7,367,833**	7,624,795

Notes to the Financial Statements

For the Year Ended 30 June 2020

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Wind farm development, compliance and project management	Wind farm construction	Office and other equipment	Future energy generation projects	High voltage customer assistance program	Total
	$	$	$	$	$	$
Year ended 30 June 2020						
Balance at the beginning of year	**242,504**	**7,346,830**	**5,118**	**30,343**	**-**	**7,624,795**
Additions	**-**	**-**	**3,402**	**61,777**	141,042	**206,221**
Depreciation expense	**(13,110)**	**(447,261)**	**(2,812)**	**-**	**-**	**(463,183)**
Balance at the end of the year	**229,394**	**6,899,569**	**5,708**	**92,120**	141,042	**7,367,833**
Year ended 30 June 2019						
Balance at the beginning of year	255,579	7,792,868	6,985	8,962	-	8,064,394
Additions	-	-	638	21,381	-	22,019
Depreciation expense	(13,075)	(446,038)	(2,505)	-	-	(461,618)
Balance at the end of the year	242,504	7,346,830	5,118	30,343	-	7,624,795

Notes to the Financial Statements
For the Year Ended 30 June 2020

13 Leases

Company as a lessee

The Company has lease over land. The Company has chosen not to apply AASB 16 to leases of intangible assets. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The company leases the farm land that the wind turbines are construced on. The lease was renewed in July 2020 for a five year term, with the option of four more terms of five years.

(a) Right-of-use assets

	2020	2019
	$	$
Right-of-use asset over land	**793,368**	-
Less accumulated depreciation	**(30,457)**	-
	762,911	-

	Right-of-use asset over land	Total
	$	$
Year ended 30 June 2020		
Initial adoption of AASB 16	**787,203**	**787,203**
Revaluation due to changes in lease payments	**6,165**	**6,165**
Depreciation charge	**(30,457)**	**(30,457)**
Balance at end of year	**762,911**	**762,911**

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 $	2019 $
(b) Lease liabilities		
Current		
Lease of land	**8,126**	-
	8,126	-
Non current		
Lease of land	**377,530**	-
Provision of make good	**400,000**	-
	777,530	-
	785,656	-

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement Of Financial Position $
2020					
Lease liabilities	**26,651**	**106,605**	**933,023**	**1,066,279**	**785,656**

	2020 $	2019 $
14 Trade and other payables		
Trade payables	**44,543**	15,352
GST payable	**28,667**	52,883
Other payables	**-**	40
	73,210	68,275

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 $	2019 $
15 Income in advance		
HCAP grants	**601,290**	-
	601,290	-

The company has received grants totalling $742,500 as part of the High Voltage Capital Assistance program. The terms of the grant require that certain milestones are met for the company to become entitled to the grant amounts. Any unexpended amounts are required to be repaid. At 30 June 2020 the company had met milestones enabling $141,210 of the grants received to be recorded as income. The balance has been recorded as a liability and will be either brought to account as income or will be repaid as the remaining milestones are completed.

	2020 $	2019 $
16 Borrowings		
Loans from related entity:		
Hepburn Community Wind Park Co-operative Ltd	**6,925,567**	8,011,178
Bank loans:		
Bendigo & Adelaide Bank Ltd	**1**	1
	6,925,568	8,011,179

The limit of the bank loan facility from Bendigo & Adelaide Bank Ltd at 30 June 2020 was $500,000 (30 June 2019: $500,000).

The Bendigo & Adelaide Bank Ltd holds the following security in relation to the bank loan facility:
- Registered Mortgage Debenture over Leonards Hill Wind Operations Pty Ltd.
- Unlimited Guarantee and Indemnity from Hepburn Wind Park Co-operative Ltd.
- Mortgage of Lease incorporating right of access over property situated at Leonards Hill, Victoria.
- Registered Charge over Hepburn Community Wind Park Co-operative Ltd.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	$	$
17 Issued capital		
20 ordinary shares (2019: 20 ordinary shares)	**20**	20
	20	20

18 Dividends

Dividends were declared and paid to the parent entity during the 2020 financial year totalling $371,838 (2019: $525,562).

19 Cash flow information

Reconciliation of net result for the year to cash flows provided by operating activities:

	2020	2019
Profit for the year	**371,838**	525,562
Non-cash flows in profit:		
Depreciation and amortisation	**463,183**	461,618
Depreciation right-of-use asset	**30,457**	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**616,755**	(11,200)
(Increase)/decrease in inventories	**37,500**	112,847
Increase/(decrease) in lease liabilities	**(7,712)**	-
Increase/(decrease) in trade and other payables	**4,935**	(9,253)
Increase/(decrease) in income taxes payable	**(52,672)**	199,941
Increase/(decrease) in deferred taxes payable	**(5,874)**	(590)
	1,458,410	1,278,925

20 Matters or circumstances arising after the end of the year

Subsequent to the end of the reporting period, the Australian economy has continued to be significantly impacted by the COVID-19 pandemic. The wholesale electricity prices has continued to be significantly reduced and there is inherent uncertainty in relation to when the impact of the pandemic on prices may end.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2020

21 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2020	2019
	$	$
Financial Assets		
Cash and cash equivalents	**153,063**	358,323
Trade and other receivables	**238,462**	253,927
Total financial assets	**391,525**	612,250
Financial Liabilities		
Trade and other payables	**73,210**	68,275
Borrowings	**6,925,568**	8,011,179
Total financial liabilities	**6,998,778**	8,079,454

22 Related party transactions

Related parties

The Company's main related parties are as follows:

Key management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Other related parties
Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions with related parties

There were no transactions with related parties during the financial year.

Notes to the Financial Statements

For the Year Ended 30 June 2020

23 Contingent assets and liabilities

In the opinion of the directors the Company did not have any contingent assets or liabilities at 30 June 2020.

24 Company details

The registered office and principal place of business of the company is:

Leonards Hill Wind Operations Pty Ltd
13 Knox Street
Daylesford Victoria 3460

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 28, are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards - Reduced Disclosure Requirements; and

   b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.

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

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

Director: ....
David Perry

Director: ....
Graham White

Dated: 20 October 2020

20 Lydiard Street South
Ballarat VIC 3350

PO Box 605
Ballarat VIC 3353

call (03) 5331 3711
email ppt@ppt.com.au
visit ppt.com.au

Leonards Hill Wind Operations Pty Ltd

Independent Audit Report to the members of Leonards Hill Wind Operations Pty Ltd

Opinion

We have audited the financial report of Leonards Hill Wind Operations Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, 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.

Responsibilities of 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 Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

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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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PPT Audit Pty Ltd..
PPT Audit Pty Ltd

....
Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat, VIC 3350

Dated: 20 October 2020

Hepburn Wind
Annual Report 2020