Appendix 4D
Half Year Report

Results for Announcement to the Market

1. Details of reporting period

Current reporting period:	6 months ended 30 June 2018
Previous corresponding reporting period:	6 months ended 30 June 2017

2. Results for announcement to the market

	6 months ended 30 June 2018 $	6 months ended 30 June 2017 $	% Change
Revenues from ordinary activities	**1,039,812**	-	-
Profit/(loss) from ordinary activities after tax attributable to members	**(547,769)**	2,971,344	(118%)
Net profit/(loss) for the period attributable to members	**(547,769)**	2,971,344	(118%)

Commentary on results for the period
Commentary on the above figures is included in the accompanying ASX Announcement and the attached Interim Financial Report for the half year ended 30 June 2018.

3. Net tangible assets per security

	30 June 2018	31 December 2017
Net tangible assets	**$2,548,750**	$2,608,448
Number of shares on issue at reporting date	**8,244,533,558**	6,244,533,558
Net tangible assets per ordinary security	**0.031 cents**	0.042 cents

4. Gain or loss of control over entities
On 23 January 2018 the Company gained control over Wescone Distribution Pty Ltd. Details of the acquisition are provided in the attached Interim Report.

5. Dividends
There were no dividends paid during the period and the Company does not propose to pay any dividends.

6. Dividend reinvestment plans
There are no dividend reinvestment plans.

7. Associates and joint ventures
The Company has no associates or joint ventures.

8. Audit / review status
The Interim Financial Report for the half year ended 30 June 2018 has been reviewed and is not subject to dispute or qualification.

VOLT POWER GROUP LIMITED

ABN: 62 009 423 189

INTERIM FINANCIAL REPORT

Half-year ended 30 June 2018

TABLE OF CONTENTS

Corporate Directory

ABN: 62 009 168 094

Directors
Adam Boyd
Simon Higgins
Peter Torre

Company Secretary
Ian Sydney

Principal place of business
1 Channel Close
Henderson WA 6166

Registered office
Unit B9, 431 Roberts Rd
Subiaco WA 6008

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

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

Solicitors
DLA Piper
Level 31
152-158 St George's Terrace
Perth WA 6000

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

ASX Code: VPR

Directors' Report

The directors of the consolidated entity (referred to hereafter as the Group) consisting of Volt Power Group Limited ("Volt" or "the Company") and the entities it controlled at the end of or during the half year ended 30 June 2018, submit their report for the six months ended 30 June 2018.

1. Directors

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

S. Higgins – Chairman

A. Boyd – Chief Executive Officer and Managing Director

P. Torre – Non-Executive Director

2. Corporate and operational review

- This Interim Consolidated Financial Report has been prepared on the basis that Volt and its controlled entities are going concerns for financial reporting purposes.
- At a general meeting of shareholders on 22 January 2018, it was resolved for the Company to undertake a capital raising via a private placement of shares to professional and sophisticated investors, who are not related parties with the exception of Mr Adam Boyd and ECM parties, at an issue price of $0.0025 per share to raise $4,750,000.
- At the same meeting it was resolved for the Company to acquire 100% of the issued capital of Wescone Distribution Pty Ltd (Wescone) for consideration of $4,750,000 cash, the issue of 100,000,000 shares and the payment of a revenue royalty.

3. Principal activities

The principal activities of the Group during the period were:

Wescone (100% owned)

The Company advanced the purchase and business model transition of Wescone during the period. Salient achievements were:

- Completed the acquisition of Wescone Distribution Pty Ltd, the owner of a proprietary and unique crushing equipment solution installed at the load port assay systems used extensively by the Pilbara iron industry and specific resource sector sampling applications worldwide.
- Integrated Wescone management and systems into the Group and advanced the Company's Wescone business model transition strategy from an equipment sale and service business model to an equipment supply and service exchange contract business model.
- Secured the first Wescone W300-3 crusher rental agreements for two crushers verifying initial industry / customer acceptance of the business model transition.
- Advanced component research and development planning to incrementally enhance the durability and lifecycle performance of the Wescone W300-3 crusher.
- Continued discussions with Wescone's largest customers, BHP Iron Ore and Rio Tinto Iron Ore to advance the Wescone business model transition whilst simultaneously maintaining critical equipment supply and service to ensure continued Wescone W300-3 crusher performance at all Pilbara iron ore and other customer installations.

ATEN (100% owned)

The Company continued to advance the development of its proprietary waste heat to power technology, ATEN. Achievements during the period included:

- Finalised the ATEN technology flowsheet improving technical viability, installation and operational simplicity and performance efficiency.
- Confirmed ATEN technology 'patent pending' status.
- Completed a site-specific Front End Engineering and Design Study (FEED Study) for the installation of the ATEN technology at an existing gas fuelled power station located in the WA Goldfields (Goldfields ATEN Project).
- Initiated contract and technical discussions for the installation and ongoing supply of electricity by the Goldfields ATEN Project with the mine site owner and incumbent IPP power station owner.

- Commenced a Goldfields ATEN Project FEED Study Addendum to:
  - verify proposed site -specific ATEN technology flowsheet modifications to simplify the retro-fit of the Goldfields ATEN Project to the operating gas fuelled power station; and
  - expand the Goldfields ATEN Project to incorporate additional heat recovery capacity to cater for a recent decision to expand the site-specific power station the subject of the FEED study.

EcoQuip Australia (50% owned)

EcoQuip continued to enhance its product design and related strategy during the period. The business' salient achievements included:

- Completed the design and prototype manufacture of the new Generation 4 Mobile Solar Lighting & Communications Tower.
- Identified and completed certain design improvements after prototype testing to enhance the safety, reliability and Modular Energy Storage Pack efficiency of the new Generation 4 Mobile Solar Lighting & Communications Tower solution.
- Initiated the component manufacture for 16 new Gen 4 Mobile Solar Lighting Towers (MSLT) to expand the EcoQuip rental fleet to 40 MSLT and 3 Mobile Solar Communications Towers (MSCT).
- Achieved existing rental utilisation of 65% with equipment primarily utilised in the resources and road construction sectors.
- Advanced all USA Manufacturing Supply Chain Strategy arrangements for the commencement of MSLT & MSCT USA assembly activities in Q2 FY19.
- Expanded strategic business development activities to identify and engage rental equipment distribution partners in Australia and USA.
- Integrated EcoQuip management and systems into the Group and moved EcoQuip into the ECM workshop and office facility in Henderson, Western Australia

4. Operating results

The Group recorded an operating loss after income tax, attributable to owners, for the six months ended 30 June 2018 of $547,769 (2017: operating profit of $2,971,344).

The net asset position of the Group at 30 June 2018 was $7,422,675 (December 2017: $3,207,839).

As at 30 June 2018, the Group had cash and cash equivalents of $2,078,168.

Net cash outflow during the six months ended 30 June 2018 of $910,482 was comprised of:

- Net cash outflow from operating activities of $697,530;
- Net cash outflow from investing activities of $4,525,870 and
- Net cash inflow from financing activities of $4,312,918.

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF VOLT POWER GROUP LIMITED

As lead auditor of Volt Power Group Limited for the period ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

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

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

Jarrad Prue

Partner

BDO Audit (WA) Pty Ltd

Perth, 22 August 2018

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2018

	Note	30 June 2018 $	30 June 2017 $
Revenue from trading activities		1,039,812	-
Cost of sales		(561,299)	-
Gross profit		478,513	-
Other income	6	20,532	3,551,950
Consultants and advisors		(221,496)	(439,650)
Employment benefits expense		(674,403)	(107,929)
General and administration expenses		(267,888)	(33,156)
Operating profit/(loss)		(664,742)	2,971,215
Finance income		7,475	144
Finance expenses		(30,159)	(15)
Finance costs- net		(22,684)	129
Profit/(loss) before income tax expense benefit		(687,426)	2,971,344
Income tax expense/benefit		-	
Profit/(loss) from continuing operations		(687,426)	2,971,344
Other comprehensive income/(loss) for the half year, net of tax		-	-
Total comprehensive income/(loss) for the half year		(687,426)	2,971,344
Profit/(loss) for the half year is attributable to:			
Minority interests		(139,657)	-
Owners of Volt Power Group Limited		(547,769)	2,971,344
Total comprehensive income/(loss) for the half year is attributable to:			
Minority interests		(139,657)	-
Owners of Volt Power Group Limited		(547,769)	2,971,344
Earnings per share (EPS):		cents	cents
Basic profit/(loss) for the period attributable to ordinary equity holders of the parent		(0.0068)	0.2047
Diluted profit/(loss) for the period attributable to ordinary equity holders of the parent		(0.0068)	0.2047
Earnings per share from continuing operations:			
Basic profit/(loss) from continuing operations attributable to ordinary equity holders of the parent		(0.0068)	0.2047
Diluted profit/(loss) from continuing operations attributable to ordinary equity holders of the parent		(0.0068)	0.2047

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

Interim Consolidated Statement of Financial Position
As at 30 June 2018

	Note	30 June 2018 $	31 December 2017 $ Restated
Assets			
Current assets			
Cash and cash equivalents		**2,078,168**	2,988,650
Trade and other receivables		**250,862**	680,387
Inventory		**300,350**	-
Other current assets		**67,399**	58,183
Total current assets		**2,696,779**	3,727,220
Non-current assets			
Property, Plant & Equipment		**700,029**	626,402
Goodwill	7	**4,873,925**	599,391
Deferred Tax Asset		**-**	12,654
Non-current prepayment		**-**	200,000
Total non-current assets		**5,573,954**	1,438,447
Total assets		**8,270,733**	5,165,667
Liabilities			
Current Liabilities			
Trade & Other Payables		**403,459**	1,347,135
Employee Benefit Liability		**30,058**	24,226
Interest Bearing Loans Current		**142,945**	208,395
Income Tax Payable		**-**	85,787
Total current liabilities		**576,462**	1,665,543
Non-current assets			
Interest bearing loans and borrowings		**271,596**	292,285
Total non-current assets		**271,596**	292,285
Total liabilities		**848,058**	1,957,828
Net assets		**7,422,675**	3,207,839
Shareholders' Equity			
Share capital	8	**72,792,329**	67,964,945
Reserves		**6,021,324**	5,946,446
Accumulated losses		**(71,769,450)**	(71,221,681)
Total attributable to owners of parent		**7,044,203**	2,689,710
Non-controlling interest		**378,472**	518,129
Total Shareholders' Equity		**7,422,675**	3,207,839

Comparative numbers are restated, please refer to note 3.

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

Interim Consolidated Statement of Changes in Equity

As at 30 June 2018

	Share capital $	Reserves $	Accumulated losses $	Total attributable to owners $	Non-controlling interest $	Total equity $
	Attributable to owners of Volt Power Group Limited					
At 1 January 2017	62,214,945	5,853,602	(73,822,992)	(5,754,445)	-	(5,754,445)
Total comprehensive loss for the half year						
Loss for the half-year	-	-	2,971,344	2,971,344	-	2,971,344
Total comprehensive loss for the half year	-	-	2,971,344	2,971,344	-	2,971,344
Transactions with owners in their capacity as owners						
Shares issued on conversion of loan - net of costs	5,600,000	-	-	5,600,000	-	5,600,000
Share based payments	-	32,756	-	32,756	-	32,756
	5,600,000	32,756	-	5,632,756	-	5,632,756
At 30 June 2017	67,814,945	5,886,358	(70,851,648)	2,849,655	-	2,849,655
At 1 January 2018 (restated)	**67,964,945**	**5,946,446**	**(71,221,681)**	**2,689,710**	**518,129**	**3,207,839**
Total comprehensive loss for the half year						
Loss for the year	**-**	**-**	**(547,769)**	**(547,769)**	**(139,657)**	**(687,426)**
Total comprehensive loss for the half year	**-**	**-**	**(547,769)**	**(547,769)**	**(139,657)**	**(687,426)**
Transactions with owners in their capacity as owners						
Issue of share capital - net of costs	**4,827,384**	**-**	**-**	**4,827,384**	**-**	**4,827,384**
Share based payments	**-**	**74,878**	**-**	**74,878**	**-**	**74,878**
	4,827,384	**74,878**	**-**	**4,902,262**	**-**	**4,902,262**
At 30 June 2018	**72,792,329**	**6,021,324**	**(71,769,450)**	**7,044,203**	**378,472**	**7,422,675**

Comparative numbers are restated, please refer to note 3.

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

Interim Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

	30 June 2018 $	30 June 2017 $
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**1,170,094**	-
Payments to suppliers and employees (inclusive of goods and services tax)	**(2,125,331)**	(185,636)
Payments to deed administrators	**-**	(50,596)
Interest received	**7,475**	144
Interest paid	**(30,159)**	-
R&D tax refund	**361,959**	-
Income tax refund/(payment)	**(81,568)**	-
Net cash outflows from operating activities	**(697,530)**	(236,088)
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	**(4,525,870)**	-
Net cash outflows from investing activities	**(4,525,870)**	-
Cash flows from financing activities		
Proceeds from issue of shares and other equity securities	**4,610,000**	3,600,000
Transaction costs on issue of shares	**(172,613)**	(14,712)
Repayment of borrowings	**(124,469)**	(713,465)
Net cash inflows from financing activities	**4,312,918**	2,871,823
Net increase / (decrease) in cash and cash equivalents	**(910,482)**	2,635,735
Cash and cash equivalents at the beginning of the half year	**2,988,650**	250,926
Cash and cash equivalents at end of the half year	**2,078,168**	2,886,661

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 30 June 2018

1. Corporate Information

The interim consolidated financial statements of Volt Power Group Limited (the "Company" or "Volt") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2018 were authorised for issue in accordance with a resolution of directors on 22 August 2018.

Volt Power Group Limited is a for profit company limited by shares, domiciled in Australia, whose shares are publicly traded. The address of the Company's registered office is Unit B9, 431 Roberts Rd Subiaco WA 6008.

2. Statement of Compliance

The interim consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with AASB134 *Interim Financial Reporting and the Corporations Act 2001*.

The interim consolidated financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

3. Significant Accounting Policies

(a) Basis of preparation

The interim consolidated financial statements have been prepared based on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, which is the functional currency of the Company and each of its subsidiaries.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's financial report for the year ended 31 December 2017, apart from the recognition of inventories for the first time following the acquisition of Wescone. The policy on inventories is detailed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

In the current year the Company has adopted two standards issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018.

AASB 9 Financial Instruments	AASB 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group will not restate comparative information. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group has adopted this standard from 1 January 2018 and has assessed expected credit losses associated on a forward looking basis noting no material impact from this assessment.
AASB 15 Revenue from Contracts with Customers	AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. There will be no impact to the Group on initial recognition from adopting this standard.

The adoption of new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) has no effect on the accounts reported in the current and prior periods.

As reported in the 2017 Annual Report Volt purchased 50% of the equity instruments of EcoQuip Australia Pty Ltd (EcoQuip). The details of the EcoQuip business combination as presented in the 2017 Annual Report were provisional as the Company had not finalised the completion statement with the vendor. The completion statement has been finalised and there were some adjustments made to the values of some assets and liabilities, the net effect of which is shown in note 9. The adjustments made resulted in some changes to asset and liability values in the Group's consolidated statement of financial position and consolidated statement of changes in equity as at 31 December 2017.

(b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2018 the Group had cash and cash equivalents of $2,078,168 and a working capital excess of $2,120,317.

The Group has prepared cash flow forecasts for each of its businesses that indicate the Group has sufficient funding to support its business activities without the need for additional funding.

Having regard to the matters set out above the Directors believe that at the date of signing the financial statements, there are reasonable grounds to believe that the Group will be able to meet its obligations as and when they fall due.

(c) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labour

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2017.

5. Segment information

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

6. Other income

	30 June 2018 **$**	30 June 2017 $
Profit on effectuation of Deed of Company Arrangement(s)	**-**	1,132,475
Gain from effectuation of Subsidiary DOCA	**-**	2,419,475
Profit/(loss) on sale of assets	**14,297**	-
Other income	**6,235**	-
	20,532	3,551,950

7. Intangible assets

(a) Goodwill

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

	30 June 2018 **$**	31 December 2017 $ Restated
Balance at start of period	**599,391**	-
Acquired through business combination (note 9)	**4,274,534**	599,391
Balance at end of period	**4,873,925**	599,391

8. Contributed Equity

(a) Share Capital

During the six-month period ended 30 June 2018, Volt issued 2,000,000,000 ordinary shares. All shares issued during the period were issued to professional and sophisticated investors and to the previous owner of Wescone as part of the purchase consideration.

	30 June 2018	30 June 2018	31 December 2017	31 December 2017
Ordinary shares	**shares**	**$**	shares	$
Fully paid	**8,244,533,558**	**72,792,329**	6,244,533,558	67,964,945
Movements in ordinary shares				
Details	**shares**	**$**	shares	$
Balance at the beginning of the period	**6,244,533,558**	**67,964,945**	594,533,558	62,214,945
Shares issued for cash	**1,900,000,000**	**4,750,000**	3,600,000,000	3,600,000
Shares issued on conversion of loan	**-**	**-**	2,000,000,000	2,000,000
Shares issued to purchase investment (note 9)	**100,000,000**	**250,000**	50,000,000	150,000
Less: transaction costs arising on share issues		**(172,616)**		-
Balance at the end of the period	**8,244,533,558**	**72,792,329**	6,244,533,558	67,964,945

(b) Weighted average number of shares

	30 June 2018 $	30 June 2017 $
Weighted average number of ordinary shares used as denominator for calculating basic profit/(loss) per share	**8,012,489,359**	3,863,848,626
Adjustments for calculation of diluted profit/(loss) per share:		
Options	**-**	350,000,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	**8,012,489,359**	4,213,848,626

9. Business Combinations

(a) Acquisition of EcoQuip Australia Pty Ltd

The net effect of the adjustments made to the values of assets and liabilities, as included at 31 December 2017, assumed on the acquisition of EcoQuip are as follows:

	Previous Amount	Adjustment	Restated Amount
EcoQuip assets and liabilities values			
Amount settled in cash	1,000,000	(32,480)	967,520
Amount settled in equity	150,000	-	150,000
Total	**1,150,000**	**(32,480)**	**1,117,520**
Recognised amounts of identifiable net assets			
Cash and cash equivalents	1,027,689	1,242	1,028,931
Trade and other receivables	1,254,331	94,217	1,348,548
Prepayments	1,765	-	1,765
Total current assets	**2,283,785**	**95,459**	**2,379,244**
Property, plant and equipment	617,744	-	617,744
Deferred Tax Assets	12,654	-	12,654
Total non-current assets	**630,398**	**-**	**630,398**
Trade and other payables	(1,222,666)	(56,514)	(1,279,180)
Interest bearing loans and borrowings	(323,530)	-	(323,530)
Employee benefit liabilities	(26,466)	9,557	(16,909)
Director loans	(70,563)	70,563	-
Current tax liabilities	(37,063)	(24,417)	(61,480)
Total current liabilities	**(1,680,288)**	**(811)**	**(1,681,099)**
Interest bearing loans and borrowings	(292,285)	-	(292,285)
Total non-current liabilities	**(292,285)**	**-**	**(292,285)**
Identifiable net assets	**941,610**	**94,648**	**1,036,258**
Non-controlling interest	(470,805)	(47,324)	(518,129)
Goodwill on acquisition	679,195	(79,804)	599,391
Net assets acquired	**1,150,000**	**(32,480)**	**1,117,520**

	Previous Amount	Adjustment	Restated Amount
Consideration transfer settled in cash	1,000,000	(32,480)	967,520
Cash and cash equivalents acquired	(1,027,689)	(1,242)	(1,028,931)
Net cash inflow on acquisition	**(27,689)**	**(33,722)**	**(61,411)**
Acquisition costs charged to expenses	35,747	-	35,747
Net cash paid relating to the acquisition	**8,058**	**(33,722)**	**(25,664)**

Consideration transferred

The acquisition of EcoQuip was settled by the issue of 50,000,000 Volt shares that were valued at $150,000, and the payment of $1,000,000 cash for new shares in EcoQuip. Subsequent to the completion statement being finalised the previous owner paid Volt $32,480 as an adjustment to the purchase price, based on the value of net assets acquired.

Identifiable net assets

The fair value of the trade and other receivables acquired as part of the business combination amounted to $1,348,548, which is equal to the gross contractual amount.

Goodwill

Goodwill of $599,391 is primarily related to growth expectations, expected future profitability and expected cost synergies. Goodwill has been allocated to cash-generating units at 31 December 2017. The goodwill that arose from this business combination is not expected to be deductible for tax purposes.

(b) Acquisition of Wescone Distribution Pty Ltd

On 23 January 2018 Volt acquired 100% of the issued shares of Wescone Distribution Pty Ltd (Wescone), a leading supplier of proprietary sample crushing equipment to the global iron ore industry.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

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

(i) Purchase consideration

The acquisition of Wescone was settled in cash of $4,750,000 and the issue of 100,000,000 of Volt shares, at fair value of $250,000, on 23 January 2018.

The purchase agreement includes an additional consideration of royalties payable if annual revenue from Wescone exceeds $2 million per annum:

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

Management has determined that the fair value of the royalty payments at acquisition date is nil as it is too difficult to estimate with any certainty if and when the royalty will become payable. If the royalty does become payable, then the Company will recognise the payment in future profit or loss.

(ii) Goodwill
The goodwill is attributable to Wescone's position and profitable trading in the mining services market, and the expected increase in profitability with the change in Wescone's business model from an equipment sale and service business model to a recurring revenue 'serviced equipment' rental business model and expanding the Wescone W300 crusher footprint into new and existing customer project opportunities. None of the goodwill is expected to be deductible for tax purposes.

(iii) Wescone's contribution to the Group's results
Wescone contributed revenue of $740,925 and a profit of $182,390 for the period between 23 January and 30 June 2018.

(iv) Acquisition related costs
Acquisition-related costs are included in other expenses in profit or loss in the reporting period.

10. Contingencies

The Group has no contingent assets and the only contingent liability is the royalty payable to the previous owner of Wescone if revenue received by Wescone exceeds $2 million per annum (refer to note 9).

11. Events occurring after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Declaration by Directors

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

In the opinion of the directors:

(a) The financial statements and notes of Volt Power Group Limited for the half year ended 30 June 2018 are in accordance with the Corporations Act 2001, including:

   i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and

   ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) 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 and is signed for and on behalf of the directors by:

Simon Higgins

Chairman

Perth

22 August 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Volt Power Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Volt Power Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not 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 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Accordingly, we do not express an audit opinion.

Independence

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

BDO Audit (WA) Pty Ltd

BDO

JPrue

Jarrad Prue

Partner

Perth, 22 August 2018