2021 Financial Report

ABN: 55 095 006 090

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PRELIMINARY FINAL REPORT
FINANCIAL YEAR ENDED 30 JUNE 2021
RENU ENERGY LIMITED ABN 55 095 006 090

Results for announcement to the market

Results	FY21 $	FY20 $	Change $	Change %
Other income	287,266	643,554	(356,288)	(55%)
Loss from ordinary activities after tax attributable to members	(1,001,885)	(4,507,591)	3,505,706	77%
Net loss for the period attributable to members	(1,001,885)	(4,507,591)	3,505,706	77%

Dividends

The Directors do not propose to recommend the payment of a dividend in respect of the period.

Brief explanation of any of the figures reported above:

The loss for the period was less than the corresponding period in the previous year due to:

- The realisation of the benefits of corporate cost reductions following completion of the strategic review of the Group's cost base.
- The sale of the Group's 30% interest in the Goulburn and Beaudesert bioenergy assets in August 2020 (loss making in the previous year).
- Transaction costs associated with the sale of the solar assets (included in the previous year).
- Termination and redundancy costs related to the Company's review of its cost restructure (included in the prior year).
- Impairment of the Group's bioenergy related assets (included in the previous year).

Please refer to the attached Directors Report for a full commentary on the results for the period and refer to the 2021 Financial Report for the detailed financial statements and explanatory notes to the accounts.

NTA backing	FY21	FY20
Net tangible asset backing per ordinary security	$0.020	$0.020

Compliance statement

This report is based on accounts which have been audited.

Greg Watson
Company Secretary
31 August 2021

Directors' Report

Director Profiles

Your Directors submit their report for the period ended 30 June 2021. The names and details of the Directors of ReNu Energy Limited in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name & Qualifications	Experience
Tony Louka MBA & MAICD ***Non-executive Director***	Mr Louka has 23 years of industry experience in Board, executive and management roles in the energy supply chain, clean technology solutions as well as retail & industrial property sectors. Mr Louka is the Managing Director of Maxify Consulting a bespoke ESG & asset management advisory to various ASX corporates & innovative start-ups in the Asia Pacific. He has held previous management and executive roles at Woolworths Group, Ergon Energy and Emerson Network Power. He has also served as a Board Member of the Energy Users Association of Australia and the Transgrid Advisory Council. Mr Louka was appointed to the Board as a Non Executive Director on 27 September 2018. He was then appointed as interim Managing Director and Acting CEO on 20 September 2019 to oversee the company restructure. Mr Louka returned to his previous position of Non Executive Director effective 28 February 2020. Mr Louka has had no other listed company directorships in the past three years. Mr Louka is a member of the Audit and Risk Management Committee and the Remuneration and Nominations Committee.
Boyd White BBus(Acc) & MBA ***Non-Executive Chairman***	Mr White has an accomplished record in the energy, infrastructure and mining sectors. He has over 30 years of business experience and brings strong strategic, commercial, M&A, financing and entrepreneurial skills to the ReNu Energy Board. Mr White has held executive roles internationally with US multinationals Halliburton Company and KBR Inc, and domestically with Tarong Energy, and Territory Generation. Mr White was a founding partner in ARC Developments International, providing energy advisory services and developing or acquiring renewable energy projects. Mr White is currently the Principal of New Energy Capital and, amongst other things, is developing a €300m integrated bioenergy business in Europe and involved in executive management, clean energy and capital raising activities in the small cap resources sector. Mr White holds a Bachelor of Business (Accounting) from Queensland University of Technology and an MBA from the University of Queensland. Mr White has had no other listed company directorships in the past three years. Mr White is Chair of the Audit and Risk Management Committee and a member of the Remuneration and Nominations Committee.

Directors' Report (Continued)

Name & Qualifications	Experience
Tim Scholefield BAppSc, MBA, GAICD, Cert Gov (Risk) ***Executive Director***	Mr Scholefield is a Director and senior executive with global experience in project delivery, operations, financial, governance and risk management. Mr Scholefield has more than 30 years' experience across the resources and energy value chain including: exploration, production and operations; conventional, unconventional and renewable fuel sources; gas storage and offtake, power generation and the link to customers. Mr Scholefield is a Director and Principal of Pacific Energy Partners, a consultancy providing advice on renewable energy solutions and opportunities in the Pacific and South East Asia. He has served as a chair and participant on board committees evaluating and developing energy projects, managing joint venture and other stakeholder relationships and providing strategy, risk, commercial and governance support. He has experience leading small and large cross functional technical, financial, commercial, legal, project and operations teams; making recommendations and participating in acquisitions, divestments and greenfield and brownfield projects ranging in size from $USD millions to $USD billions. Mr Scholefield holds a Bachelor of Applied Science from the University of South Australia, a MBA from Deakin University, a Certificate in Governance and Risk Management from the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors. Mr Scholefield has had no other listed company directorships in the past three years. Mr Scholefield is a member of the Audit and Risk Management Committee.

Company Secretary and CEO

Greg Watson

LLB, BCom, GDipLP, CA

Mr Watson joined ReNu Energy as Chief Financial Officer and Company Secretary in September 2019 and was appointed as Chief Executive Officer in February 2020. He has a strong background in finance, tax, legal and company secretarial disciplines.

Mr Watson has 13 years' experience with listed and private companies in the resources sector. Mr Watson previously worked as CFO and Company Secretary at Capricorn Copper and has also held corporate roles at Anglo American, Barrick Gold, Equinox Minerals and Fortescue Metals. Mr Watson commenced his career at KPMG where he worked for 9 years.

Mr Watson is a Chartered Accountant and holds a Bachelor of Laws and Bachelor of Commerce degrees, as well as a Graduate Diploma in Legal Practise.

Directors' Report (Continued)

Corporate structure

ReNu Energy Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is Corporate House, Kings Row 1, 52 McDougall Street, Level 2, Milton QLD 4064.

The Directors present this financial report on ReNu Energy Limited (the Company) and its subsidiaries (collectively the Group) for the financial year ended 30 June 2021.

Principal activities

ReNu Energy Limited's mission is to generate change by investing in companies focused on renewable and clean energy technologies. The Company's focus is to become one of the only ASX listed companies focusing on a renewable and clean energy incubator/accelerator strategy, by taking strategic stakes and nurturing renewable and clean energy projects, including hydrogen, moving to either a controlling interest, supporting through to an IPO process or exiting via trade sale.

During the financial period, the Company developed and actively pursued its renewable and clean energy incubator/accelerator strategy and progressed the remediation of its single remaining geothermal tenement in the Cooper Basin in accordance with the relevant state regulations and environmental requirements.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company during the financial period were:

- The completion of the sale of its 30% interest in the Goulburn and Beaudesert bioenergy projects on 17 August 2020.
- The completion of the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia with the workover rig released from site on 12 April 2021.
- The completion of an oversubscribed capital raising from professional and sophisticated investors of $1.46 million by way of a placement at $0.055 per share on 7 June 2021.
- The announcement of its renewable and clean energy incubator/accelerator strategy, wherein the Company intends to take strategic stakes in and nurture clean energy projects and technologies.
- The announcement of a strategic investment in Uniflow Power Limited on 25 June 2021 and the evaluation of further investment opportunities in the renewable and clean energy sectors.

There were no other significant changes in the state of affairs of the Company during the financial period.

Directors' Report (Continued)

Review and results of operations

The Company realised a loss before tax for the financial period as set out below:

Non-IFRS Measure	2021 $	2020 $
Total Group Underlying EBITDA	**(1,087,646)**	**(2,514,809)**
(Loss) / gain on sell down of subsidiary/associate	166,898	(17,516)
Share of loss from associate	(21,426)	(155,463)
Depreciation	(57,392)	(147,925)
Impairment	-	(1,327,539)
Borrowing transaction costs	-	(306,851)
Interest expense	(2,319)	(37,488)
Income tax expense	-	-
Loss after tax	**(1,001,885)**	**(4,507,591)**

Results

The Group's Underlying EBITDA loss of $1,087,646 (2020: $2,514,809) was an improvement on the previous year, due to:

- The realisation of the benefits of reduced operating losses and corporate cost reductions following completion of the strategic review of the Group's assets and cost base.
- One-off transaction and restructuring costs incurred in the previous year.

Operational review

During the year ended 30 June 2021, ReNu Energy's activities centred around: completion of the sale of its 30% interest in the Goulburn and Beaudesert bioenergy projects, the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia, and the evaluation of investment opportunities in the renewable and clean energy sectors.

Key activities during the year included:

- Completion of the sale of the Company's 30% interest in the Goulburn and Beaudesert bioenergy projects to Resonance Water Finance UK Limited on 17 August 2020 for $500,000.
- The completion of the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia with the workover rig released from site on 12 April 2021.
- The completion of an oversubscribed capital raising from professional and sophisticated investors of $1.46 million by way of a placement at $0.055 per share on 7 June 2021.
- The announcement of its renewable and clean energy incubator/accelerator strategy, wherein the Company intends to take strategic stakes in and nurture clean energy projects and technologies moving to either a controlling interest, supporting through to an IPO process or exiting via trade sale.
- The announcement on 25 June 2021 of a strategic investment in Uniflow Power Limited, an unlisted public company commercialising a patented externally fired steam driven mechanical microgenerator that may be powered by biomass, solar or waste – known as The Cobber.
- The evaluation of further investment opportunities in the renewable and clean energy sectors, with discussions in relation to a second strategic investment ongoing with several parties.

Directors' Report (Continued)

COVID-19 Impact

The Directors have assessed the impacts of COVID-19 on the Group as follows:

- COVID-19 had minimal impact on the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia.
- The Company met the eligibility requirements for the available government relief provided to businesses during the year ended 30 June 2021 (JobKeeper and the Cashflow Boost).
- COVID-19 has had no material impact on the Company's other activities during the period.

Likely developments and expected results

A major focus of the Board and management is cash flow management so as to ensure that the Group has sufficient funds to cover its planned activities and any ongoing obligations. During the financial period, the Group finalised the strategic review of its assets and cost base and completed the implementation of a series of operational and management changes that successfully resulted in a reset of the Group's cost base.

On 7 June 2021, the Company completed an oversubscribed capital raising from professional and sophisticated investors of $1.46 million by way of a placement at $0.055 per share. At 30 June 2021, ReNu had available cash of $2,467,960.

The Board and management believe that ReNu remains well positioned to implement its renewable and clean energy incubator/accelerator strategy and raise capital as required to support strategic investment decisions made.

Dividend

No dividends were declared or paid during the year ending 30 June 2021.

The Directors do not propose to recommend the payment of a dividend in respect of the period ended 30 June 2021.

Directors' interests in the Shares and Options of the Company

As at the date of this report, a company associated with Mr Boyd White held 500,000 ordinary shares in the Company. The interests of the other Directors in the shares of ReNu Energy Limited are nil.

Significant events after the reporting date

Investment in Uniflow

On 14 July 2021, the Company announced that it had restructured the terms of its investment in Uniflow Power Limited.

Under the original terms agreed on 25 June 2021, ReNu Energy had an obligation to invest $1.5 million equity in two tranches subject principally to Uniflow shareholder approval to acquire more than 20% of Uniflow.

Under the restructured terms agreed on 14 July 2021, the investment will now occur in three tranches (with the second and third tranche at ReNu Energy's discretion) comprising:

1) $0.25 million of working capital loan by convertible loan, which was provided on 16 July 2021;
2) At ReNu's Energy's election, equity investments of $0.75 million and $0.50 million on or before 1 October 2021 (which can be extended) and 1 March 2022 respectively; and
3) 3 free attaching options for every share acquired by ReNu Energy at an option exercise price equal to the share issue price and expiring at various dates.

Directors' Report (Continued)

Between 30 June 2021 and the date of this report there are no other items, transactions or events of a relevant and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations.

Environmental regulations and performance

As a renewable and clean energy investor, environmental sustainability is at the heart of every activity ReNu Energy undertakes.

The Group is required to carry out its activities in accordance with relevant laws and regulations. The Group will continue to meet its obligations for the final surface remediation of the Cooper Basin assets and is committed to minimising the impact of its activities on the natural landscape, waterways, flora and fauna in a manner consistent with environmental best practice standards.

Indemnification and insurance of Directors and officers

During the financial year, the Company paid premiums in respect of contracts insuring Directors, Secretaries, and executive officers of the Group and related entities against liabilities incurred as Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001, subject to the terms, conditions, limitations and exclusions of the policy. Under the terms of the policy, the Group is precluded from disclosing details of premiums paid.

The Company has entered into deeds of indemnity, insurance and access with each person who is, or has been, a Director of the Company. To the extent permitted by law and subject to the restrictions in s199A of the Corporations Act 2001, the Company must continually indemnify each Director against liability (including liability for costs and expenses) for an act or omission in the capacity as Director, subject to certain exclusions. No payment has been made to indemnify a Director during or since the end of the financial year.

Indemnification of auditors

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as such an auditor.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1 (unless otherwise stated) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the ASIC Corporations Instrument applies.

Share Options and Share Appreciation Rights

Share appreciation rights

As at 30 June 2021 and as at the date of signing this report, there are no share appreciation rights on issue. No ordinary shares of the Company have been issued during or since the end of the financial year ended 30 June 2021 on the exercise of share appreciation rights.

Share options

Under the terms of the 2 June 2021 capital raising of $1.46 million by way of a placement at $0.055 per share, subject to shareholder approval, subscribers are entitled to receive 1 attaching option for every two shares subscribed for, with a strike price of $0.07 per share and an expiry date of 31 December 2023. The granting of the 13,276,291 attaching options (**Options**) was approved by shareholders at an extraordinary general meeting held on 12 August 2021 and the Options were issued on 26 August 2021.

Directors' Report (Continued)

Shareholder approval was also obtained at the extraordinary general meeting held on 12 August 2021 for the grant of 7,500,000 options with an exercise price of $0.07 per share expiring on 31 December 2023 to the lead manager and broker of the capital raising (**Broker Options**). The Broker Options were issued on 26 August 2021.

The Options and Broker Options were granted quotation on the ASX on 30 August 2021.

No share options holder has any right under the options to participate in any other share issue of the company or any other entity. At the date of this report no ordinary shares of the Company have been issued on the exercise of share options.

Directors' meetings

During the period, there were five Directors' meetings held. The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial period are as follows:

	Directors' meetings		Audit & Risk Management Committee meetings		Remuneration & Nominations Committee meetings	
	A	**H**	**A**	**H**	**A**	**H**
Tony Louka	5	5	2	2	0	0
Boyd White	5	5	2	2	0	0
Tim Scholefield	5	5	2	2	0	0

A – Number of meetings attended
H – Number of meetings held whilst in office

Committee memberships as at 30 June 2021 and as at the date of this report are:

Audit & Risk Management Committee – Membership comprises two Non-executive Directors being Boyd White (Chair) and Tony Louka and one Executive Director being Tim Scholefield.

Remuneration & Nominations Committee – Membership comprises two Non-executive Directors being Tony Louka (Chair) and Boyd White.

Auditor independence

In accordance with section 307C of the Corporations Act 2001, the Directors received a declaration of independence from the auditor of ReNu Energy Limited which is listed immediately after this report and forms part of this Directors' Report and can be found on page 19.

Non-audit services

The Company may decide to employ the auditor on assignments in addition to their statutory audit duties, where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor (BDO Audit Pty Ltd) for audit and non-audit services provided during the year are set out in note 16 to the Financial Statements.

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

The Board of Directors, in accordance with advice provided by the Audit and Risk Management Committee, are satisfied that the provision of non-audit services by the auditor, as set out in note 16 to the Financial

Directors' Report (Continued)

Statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

During the year there were nil (2020: nil) fees paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Proceedings on behalf of the Company

As far as the Directors are aware, no proceedings have been brought or intervened in on behalf of the Company with the leave of the Court, nor has any application for leave been made in respect of the Company, under section 237 of the Corporations Act 2001.

Corporate governance

The Directors recognise the need for the highest standards of corporate behaviour and accountability and therefore support and have adhered to the principles of Corporate Governance. The Company's Corporate Governance Statement is available on the Company's website: http://renuenergy.com.au/about-us/governance/

Directors' Report (Continued)

Remuneration Report (Audited)

This Remuneration Report for the year ended 30 June 2021 outlines the remuneration arrangements in place for Directors and Executives of ReNu Energy Limited in accordance with the requirements of the *Corporations Act 2001* and its Regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
   A. Remuneration principles and strategy
   B. Approach to setting remuneration
   C. Detail of Incentive Plans
4. Executive remuneration outcomes for FY21 (including link to performance)
5. Summary of executive contractual arrangements
6. Non-executive Director remuneration
7. Share based compensation
8. Other statutory disclosures

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

1 Introduction

The Remuneration Report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company directly or indirectly including any Director.

For the purposes of this report, the term 'executive' encompasses the Managing Director and the executive management team of the Company. The KMP covered in this report are set out in the table below.

Non-executive Directors (NEDs)	
Boyd White (commenced 20 December 2019)	Chairman
Tony Louka (commenced 5 October 2018)	Director
Steve McLean (ceased 30 June 2020)	Director
Richard Brimblecombe (ceased 31 December 2019)	Director
Anthony Rohner (ceased 2 August 2019)	Director
Executive Directors	
Tim Scholefield (commenced 6 December 2019)	Executive Director
Other KMP	
Greg Watson (commenced 28 February 2020)	Chief Executive Officer & Company Secretary
KMP who ceased in prior year	
Warren Leitao (ceased 15 October 2019)	Former Chief Operating Officer
Craig Ricato (ceased 30 September 2019)	Former Managing Director & CEO
Damian Galvin (ceased 26 July 2019)	Former CFO & Company Secretary
Matthew Scott (commenced 1 July 2019, ceased 10 September 2019)	Former CFO & Company Secretary

2 Remuneration governance

Remuneration and Nominations Committee

The Remuneration and Nominations Committee has the primary objective of assisting the Board in developing and assessing the remuneration policy and practices of the Directors, Chief Executive Officer (CEO) and senior executives.

Specifically, the Board approves the remuneration arrangements of the CEO, the aggregate annual fixed remuneration salary review, short-term incentives and the methodology for awards made under long-term incentive plans following recommendations from the Remuneration & Nominations Committee. The Board also sets the aggregate remuneration of Non-executive Directors, which is then subject to shareholder approval, and individual Directors' fees.

Committee assessments incorporate the development of remuneration policies and practices which will enable the Group to attract and retain executives who will create value for shareholders. Executives will be fairly and responsibly rewarded having regard to the performance of the Group, the performance of the executive and the general market environment.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

The Remuneration & Nominations Committee meets as required throughout the year. The CEO attends Remuneration & Nominations Committee meetings by invitation, where management input is required. The CEO is not present during any discussions related to his own remuneration arrangements.

Further information on the Remuneration & Nomination Committee's role, responsibilities and membership can be found on the Company's web site at www.renuenergy.com.au

Use of remuneration consultants

The Company did not appoint remuneration consultants for remuneration recommendations during the financial year.

3 Executive remuneration arrangements

3A. Remuneration principles and strategy

ReNu Energy's executive remuneration strategy is designed to attract, motivate and retain highly skilled executives and align the interests of executives and shareholders.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive salaries to attract high calibre executives.
- Link executive performance rewards to medium and longer-term shareholder value creation through KPI-linked short term incentives.

The Group aims to reward its executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- Reward executives for Group, business division and individual performance against targets set by reference to appropriate benchmarks.
- Link reward with the strategic goals and performance of the Group.
- Ensure total remuneration is competitive by market standards.

3B. Approach to setting remuneration

The key executives' emoluments are structured to retain and motivate executives by offering a competitive base salary and a short-term annual cash-based performance-related component.

Remuneration may consist of the following key elements:

- Fixed remuneration – base salary and superannuation; and
- Variable remuneration in the form of cash-based incentives.

Remuneration Report (Audited) (continued)

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration of the Chief Executive Officer is reviewed annually by the Remuneration and Nominations Committee and approved by the Board. Factors considered include the Group and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice. The Remuneration and Nominations Committee has access to external advice independent of management.

Senior executives receive their fixed (primary) remuneration in cash. The fixed remuneration component of senior executives who are key management personnel is detailed in Table 1 of this report.

3C. Details of Incentive Plans

Short term incentives

The Company uses short term incentives to:

- Reward employees for their contribution in ensuring that ReNu Energy achieves the corporate key deliverables.
- Encourage teamwork.
- Enhance ReNu Energy attracting and retaining high calibre and high performing employees.
- Link remuneration directly to the achievement of key organisational objectives.

In the FY2021 reporting period no share-based payments were awarded to staff or executives. No KMP were awarded any cash incentives for the financial year.

4 Executive remuneration outcomes for FY21

Company performance and its link to the Company's remuneration principles and strategy

The 2021 financial year was one which saw the Group complete the sale of its 30% interest in the Goulburn and Beaudesert bioenergy projects, complete the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia, announce and progress its renewable and clean energy incubator/accelerator strategy. To allow the Group full flexibility in adapting to its changing landscape, specific measurable short-term targets were not set. KMP were not awarded any cash incentives for the financial year.

It is intended that corporate and individual KPIs will be set for the 2022 financial year, such that executives are rewarded for the achievement of milestones that are both measurable and outcomes based. These milestones will be set by the Board as they represent key drivers for creating short term shareholder value.

The remuneration of senior executives who were KMP during the year ended 30 June 2021 is set out below:

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Table 1 – Remuneration of senior executives of the Group for the year ended 30 June 2021

	Short-term*	Post-employment*		Share based**			
Name	Salary $	Superannuation $	Termination benefits $	Shares (amortised cost) $	SARs (amortised cost) $	Total $	Performance related %
G Watson	231,195	20,805	-	-	-	**252,000**	-
T Scholefield[1]	275,098	-	-	-	-	**275,098**	-
Totals[2]	506,293	20,805				**527,098**	**-**

* Fixed remuneration ** Variable remuneration

1 T Scholefield is engaged through an associated company Pacific Energy Partners Pty Ltd.

2 A portion of senior executive remuneration is recoverable by the Group under agreements with third parties.

Table 2 – Remuneration of senior executives of the Group for the year ended 30 June 2020

	Short-term*	Post-employment*		Share based**			
Name	Salary $	Superannuation $	Termination benefits $	Shares (amortised cost) $	SARs (amortised cost) $	Total $	Performance related %
C Ricato[1]	94,111	15,752	187,500	-	-	**297,363**	-
D Galvin[2]	31,716	3,013	-	-	-	**34,729**	-
W Leitao[3]	81,353	27,340	270,400	-	-	**379,093**	-
M Scott[4]	48,439	4,602	-	-	-	**53,041**	-
G Watson[5]	181,474	15,240	-	-	-	**196,714**	-
T Scholefield[6]	112,622	-	-	-	-	**112,622**	-
Totals	549,715	65,947	457,900	-	-	**1,073,562**	**-**

* Fixed remuneration ** Variable remuneration

1 C Ricato ceased employment as Managing Director and Chief Executive Officer on 30 September 2019

2 D Galvin ceased employment as Chief Financial Officer on 26 July 2019

3 W Leitao ceased employment as Chief Operating Officer on 15 October 2019

4 M Scott ceased employment as Chief Financial Officer on 9 September 2019

5 G Watson commenced employment as Chief Financial Officer and Company Secretary on 9 September 2019 and became Chief Executive Officer on 28 February 2020.

6 T Scholefield commenced as Executive Director on 6 December 2019 and is engaged through an associated company Pacific Energy Partners Pty Ltd.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Chief Executive Officer and Company Secretary – Greg Watson

Mr Watson was appointed as Chief Financial Officer and Company Secretary on 9 September 2019 under an Employment Agreement dated 9 September 2019.

Mr Watson entered into a variation to Employment Agreement on 26 February 2020 for appointment as Chief Executive Officer. The key terms of Mr Watson's employment are as follows:

- Base remuneration of $320,000 per annum plus superannuation on a pro-rated basis;
- Part time basis with minimum of 24 hours per week; and
- Three months' notice of termination and no amounts are payable on termination.

Executive Director – Tim Scholefield

Mr Scholefield was appointed as an Executive Director on 6 December 2019 initially to provide executive responsibility to coordinate, implement and oversee the permanent abandonment of the Company's geothermal wells in the Cooper Basin. In addition to this responsibility Mr Scholefield also supports the CEO in the assessment and recommendation for involvement in renewable and clean energy opportunities and, following the successful abandonment of the wells, is coordinating the surrender of the GRL 3 licence.

Mr Scholefield is engaged through an associated company Pacific Energy Partners Pty Ltd to provide consulting services to the Company. The daily rate is $1,850 for a fixed term to 31 December 2021. Mr Scholefield receives no additional fees for service as a Director. The services agreement with Pacific Energy Partners Pty Ltd has a three-month notice period and no amounts are payable on termination.

5 Non-executive Director remuneration arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to Non-executive Directors of comparable companies when undertaking the annual review process. The amounts are set at a level that compensates the Directors for their significant time commitment in overseeing the progression of the Company's business plan.

The Constitution of ReNu Energy and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 28 November 2007 when shareholders approved a maximum aggregate remuneration of $700,000 per year.

Structure

Each Non-executive Director receives a fee for being a Director of the Company. The current fee structure is to pay Non-executive Directors a gross annual remuneration of $50,000 p.a. with the Chairman paid $65,000 p.a including superannuation. There are no additional fees paid for committee memberships. There are no retirement benefits offered to Non-executive Directors. In accordance with good corporate governance practice, the Non-executive Directors do not participate in equity-based remuneration plans of the Company.

The remuneration of Non-executive Directors for the year ending 30 June 2021 is detailed in Table 3 of this report and the remuneration for the comparative year ending 30 June 2020 is detailed in Table 4.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Table 3 – Non-executive Directors' Remuneration for the year ended 30 June 2021

Director	Directors' fees $	Superannuation $	Total $
T. Louka[1]	50,004	-	**50,004**
B. White[2]	59,361	5,639	**65,000**
Totals	**109,365**	**5,639**	**115,004**

1. Mr T Louka is engaged through an associated company, Maxify Pty Ltd, to provide director services to the Company
2. Mr B. White was Chairman for the whole period.

Table 4 – Non-Executive Directors' Remuneration for the year ended 30 June 2020

Director	Directors' fees $	Consulting fees $	Superannuation $	Total $
S. McLean[1]	54,577	-	5,205	**59,782**
R. Brimblecombe	25,000	-	-	**25,000**
T. Louka[2]	31,127	153,964	-	**185,091**
B. White	28,781	-	2,734	**31,515**
Totals	**139,485**	**153,964**	**16,238**	**309,687**

1. Mr S McLean was Chairman until 28 February 2020.
2. Mr T Louka is engaged through an associated company, Maxify Pty Ltd, to provide consulting and director services to the Company. Mr T Louka was appointed as interim CEO from 20 September 2019 to 26 February 2020 with consulting fees paid in relation to this appointment of $153,964.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

6 Share based compensation

Loan Share Plan Shares

No shares have been issued under the Loan Share Plan in 2021.

The movements of Plan Shares, held directly, indirectly or beneficially by each Key Management Personnel member, including their related parties during the financial year ended 30 June 2020 is set out in Table 5 below.

Table 5 - Shares granted to KMP as part of remuneration for the year ended 30 June 2021

Executive	Balance at beginning of period (shares)	Fair value of shares granted during the year ($)	Grant date	Expiry date	Shares lapsed during the reporting period (shares) [1]	Balance as at the end of the reporting period (shares)
C. Ricato	**8,655,000**	$0.068	28/11/18	28/11/28	**(8,655,000)**	**-**
W. Leitao	**5,769,000**	$0.068	29/11/18	29/11/28	**(5,769,000)**	**-**
Total	**14,424,000**				**(14,424,000)**	**-**

1. Shares did not meet the vesting conditions and therefore were transferred back to the Company following approval at the Annual General Meeting for the year ended 30 June 2020.

Table 6 - Shares granted to KMP as part of remuneration for the year ended 30 June 2020

Executive	Balance at beginning of period (shares)	Fair value of shares granted during the year ($)	Grant date	Expiry date	Shares lapsed during the reporting period (shares) [1]	Balance as at the end of the reporting period (shares)
C. Ricato	**8,655,000**	$0.068	28/11/18	28/11/28	**-**	**8,655,000**
W. Leitao	**5,769,000**	$0.068	29/11/18	29/11/28	**-**	**5,769,000**
D. Galvin	**1,434,150**	$0.0088	9/11/17	9/11/27	(1,434,150)	**-**
Total	**15,858,150**				**(14,434,150)**	**14,424,000**

1. Shares did not meet the vesting conditions and therefore were transferred back to the Company following approval at the Annual General Meeting for the year ended 30 June 2020.

No Plan Shares have vested at the end of the reporting period

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

7 Other statutory disclosures

Related party transactions with Directors

The Group engaged Pacific Energy Partners Pty Ltd to provide consulting services. The key resource from Pacific Energy Partners Pty Ltd is Tim Scholefield (Executive Director). Consulting fees of $261,454 (2020: $112,622) were paid during the year. The material terms of the engagement of Pacific Energy Partners are disclosed in section 4 of the Remuneration Report.

Shareholdings of Key Management Personnel

There were no Company's ordinary shares, held directly, indirectly or beneficially by Key Management Personnel member, including their related parties during the financial year ended 30 June 2021.

End of Remuneration Report (Audited)

Signed in accordance with a resolution of the Directors.

Boyd White
Chairman
Brisbane
31 August 2021

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DECLARATION OF INDEPENDENCE BY RICHARD SWABY TO THE DIRECTORS OF RENU ENERGY LIMITED

As lead auditor of ReNu Energy Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of ReNu Energy Limited and the entities it controlled during the year.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane

31 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021	Note	2021 $	2020 $
Continuing operations			
Revenue from contracts with customers	3A(i)	-	151,198
Total operating income		**-**	**151,198**
Interest income		24,214	90,869
Other income	3A(ii)	263,052	401,487
Total income		**287,266**	**643,554**
Personnel expenses	3B	(691,775)	(1,608,361)
Other operating expenses	3C	(69,807)	(634,107)
General & administrative expenses	3D	(670,722)	(2,318,875)
Finance costs	3E	(2,319)	(8,985)
Total expenses		**(1,434,623)**	**(4,570,328)**
Share of loss of associates	**7**	**-**	**-**
Loss before income tax expense		**(1,147,357)**	**(3,928,774)**
Income tax expense	4	-	-
Loss after income tax expense from continuing operations		**(1,147,357)**	**(3,928,774)**
Profit / (loss) from discontinued operations after tax	15	145,472	(580,817)
Net loss for the year after income tax attributable to the owners of the parent		**(1,001,885)**	**(4,507,591)**
Other comprehensive income for the period		-	-
Total comprehensive loss for the period attributable to the owners of the parent		**(1,001,885)**	**(4,507,591)**
Earnings Per Share attributable to the owners of the parent			
Basic and Diluted Loss per share from continuing operations (cents per share)	14	(0.86)	(3.38)
Basic and Diluted Loss per share (cents per share)	14	(0.75)	(3.74)

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

Consolidated Statement of Financial Position

AS AT 30 JUNE 2021	Note	2021 $	2020 $
Current Assets			
Cash and cash equivalents	19(A)	2,468,210	2,448,803
Trade and other receivables	5	779,787	477,540
Prepayments		150,714	214,104
Assets held for sale	15(d)	-	390,863
Total current assets		**3,398,711**	**3,531,310**
Non-Current Assets			
Other receivables	5	-	694,585
Property, plant and equipment	6	25,389	39,650
Total non-current assets		**25,389**	**734,235**
Total assets		**3,424,100**	**4,265,545**
Current Liabilities			
Trade and Other Payables	8	585,276	423,535
Borrowings	9	120,531	27,358
Provisions	10	20,832	1,431,940
Total current liabilities		**726,639**	**1,882,833**
Total liabilities		**726,639**	**1,882,833**
Net assets		**2,697,461**	**2,382,712**
Equity			
Issued capital	11	358,435,465	357,069,848
Other reserves	12	-	63,771
Accumulated losses		(355,738,004)	(354,750,907)
Total equity		**2,697,461**	**2,382,712**

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021	Note	2021 $	2020 $
Operating Activities			
Receipts from customers		228,960	892,170
Payments to suppliers and employees		(1,048,705)	(3,911,025)
Proceeds from R&D tax incentive		182,188	57,399
Payments for rehabilitation expenditure		(1,217,722)	(270,497)
Net Goods and Services Tax received (paid)		79,565	(6,281)
Interest received		42,047	119,074
Interest paid		(1,510)	(47,979)
Net cash flows used in operating activities	**19(B)**	**(1,735,177)**	**(3,167,139)**
Investing Activities			
Proceeds from sale of business	15(a)	500,000	5,775,000
Purchase of property, plant & equipment		-	(20,508)
Loans repaid from associate		-	39,687
Net payments of cash held as security		-	236,896
Net cash from / (used in) investing activities		**500,000**	**6,031,075**
Financing Activities			
Proceeds from issue of shares, net of share issue cost	11	1,365,617	-
Repayment of borrowings	9	(54,107)	(1,433,189)
Repayment of lease liabilities	9	(56,926)	(86,248)
Transaction costs of share issues		-	(4,760)
Transaction costs of loans and borrowings		-	(315,851)
Net cash flow provided by financing activities		**1,254,584**	**(1,840,048)**
Net decrease in cash and cash equivalents		**19,407**	**1,023,888**
Add: Opening cash and cash equivalents at 1 July		**2,448,803**	**1,424,915**
Cash and cash equivalents at 30 June	19(A)	**2,468,210**	**2,448,803**

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

Consolidated Statement of Changes in Equity

FINANCIAL YEAR ENDED 30 JUNE 2021	Issued Capital $	Share Based Payment Reserve (Note 12) $	Foreign Currency Translation Reserve (Note 12) $	Accumulated Losses $	Total Equity $
At 1 July 2020	**357,069,848**	**48,307**	**15,464**	**(354,750,907)**	**2,382,712**
Loss for the period	-	-	-	(1,001,885)	(1,001,885)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(1,001,885)**	**(1,001,885)**
Deregistration of equity investment	-	-	(15,464)	14,788	(676)
Transactions with owners in their capacity as owners:					
Shares issued	1,460,391	-	-	-	1,460,391
Share issue costs	(94,774)	-	-	-	(94,774)
Share based payment (note 3B)		(48,307)	-	-	(48,307)
At 30 June 2021	**358,435,465**	**-**	**-**	**(355,738,004)**	**2,697,461**

FINANCIAL YEAR ENDED 30 JUNE 2020	Issued Capital $	Share Based Payment Reserve (Note 12) $	Foreign Currency Translation Reserve (Note 12) $	Accumulated Losses $	Total Equity $
At 1 July 2019	**357,074,708**	**153,192**	**15,464**	**(350,243,316)**	**7,000,048**
Loss for the period	-	-	-	(4,507,591)	(4,507,591)
Other comprehensive income					
Total comprehensive income for the year	**-**	**-**	**-**	**(4,507,591)**	**(4,507,591)**
Transactions with owners in their capacity as owners:					
Shares issued	-	-	-	-	-
Share issue costs	(4,860)	-	-	-	(4,860)
Share Based Payments (Note 3B)	-	(104,885)	-	-	(104,885)
At 30 June 2020	**357,069,848**	**48,307**	**15,464**	**(354,750,907)**	**2,382,712**

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

Notes to the Financial Statements (continued)

Note 1 – Corporate information

The financial report of ReNu Energy Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2021 was authorised in accordance with a resolution of the Directors on 25 August 2021.

ReNu Energy Limited is a for profit Company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

Note 2 – Summary of significant accounting policies

A. Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

B. Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

C. New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There were no standards that had any significant impact on the Group's accounting policies.

D. Going Concern

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

As disclosed in the financial statements, the Group has net operating cash outflows for the year of $1,789,284 and as at 30 June 2021 has cash and cash equivalents of $2,468,210. The Group also generated a loss after tax of $1,001,885. The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- receipt of R&D tax incentives;
- securing appropriate projects and related funding for project investment;
- effective cash flow management; and
- raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to advance its renewable and clean energy incubator/accelerator strategy.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The Directors are satisfied that the Group has access to sufficient funds to extinguish creditors and liabilities in the ordinary course of business for at least the next 12 months from the date of signing this report and accordingly have applied the going concern basis of accounting in preparing the financial statements.

Notes to the Financial Statements (continued)

The Directors have assessed that COVID-19 will have no further impact on the going concern of the Group under the current conditions.

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

E. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 June 2021. Subsidiaries are all entities which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Material controlled entity/subsidiaries

The consolidated financial statements include the financial statements of the ultimate parent company, ReNu Energy Limited, and its controlled entities. Principal subsidiaries, all of which are incorporated in Australia, are listed in the following table:

		Equity Interest %	
Name	**Principal activities**	**2021[1]**	**2020**
Quantum Power Pty Ltd	Bioenergy project development	-	100
BioEnergy Projects Pty Ltd	Electricity supply from bioenergy assets	-	100

1. The Group disposed of all its equity interests in its associates during 2021.

Notes to the Financial Statements (continued)

Investments in associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The following entities have been included in the consolidated financial statements using the equity method:

		Equity Interest %	
Name	**Principal activities**	**2021[2]**	**2020**
RE Holding Company One Pty Ltd	Holding company for SM Project Company Pty Ltd and AJB Projects Pty Ltd[1]	-	30
SM Project Company Pty Ltd	Electricity supply from the Goulburn bioenergy project[1]	-	30
AJB Energy Projects Pty Ltd	Electricity supply from the AJ Bush bioenergy project[1]	-	30

1. In its capacity as trustee
2. **30**% interest was disposed in 2021

F. Foreign currency translation

Both the functional and presentation currency of ReNu Energy is Australian dollars ($A). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Differences arising on the settlement or translation of monetary items are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the translation of financial statements of foreign subsidiaries are taken to the foreign currency translation reserve at the reporting date. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

G. Property, plant & equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on a straight line basis on all property, plant and equipment. All classes are depreciated over periods ranging from 3 to 25 years (2020: 3 to 25 years). The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted

Notes to the Financial Statements (continued)

for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

H. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for a cash-generating unit (CGU). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the profit or loss in the year the loss is recognised.

I. Cash and cash equivalents

Cash and cash equivalents on the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks and short term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

J. Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

K. Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

L. Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Notes to the Financial Statements (continued)

Transaction costs of borrowings

Fees and other costs incurred in relation to the establishment of borrowing facilities are treated as transaction costs to the extent that it is probable that some or all of the facility will be drawn down and are included in the initial fair value of the financial liability. Costs for facilities which do not eventuate or for which the probability of utilisation is not probable are expensed in profit or loss.

M. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

N. Employee benefits

(i) Wages, salaries and annual leave

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

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee entitlements – refer to note 10 for further details.

O. Revenue recognition

The Group's primary revenue relates to contributions from the joint licensee for geothermal remediation.

Revenues from contracts with customers

The Group's revenue streams relate to the retail sale of electricity to business customers in Australia. Revenue from contracts from customers is recognised when control of the goods or services is transferred to a customer at an amount that reflects the consideration to which the group expects to be entitled to receive in exchange for those goods or services.

Revenue: electricity and renewal energy credits

Electricity revenue relates to the supply of electricity and related services to customers and the generation of renewable energy credits and certificates from the government. Revenue from the sale of electricity is recognised on delivery of the product. Renewable energy credits income is recognised when earned.

Revenue: projects

Project revenue relates to income earned for the construction and delivery of biogas energy systems to customers. Revenue is recognised as each stage of the performance obligation in regards to the bioenergy asset is complete. Stage of completion is measured by reference to project costs incurred to date as a percentage of total estimated costs for each contract which is determined by a set quotation with the customer.

Interest income

Interest income is recorded as the interest accrues, using the effective interest rate (EIR) in accordance with AASB9. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life

Notes to the Financial Statements (continued)

of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

P. Government grants

Government Grants (including R&D tax incentives) are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants relating to rehabilitation costs are recorded as an offset against expenditure. To the extent the government grant is greater than the associated expenditure the residual amount is recorded as other income.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset or liability, the fair value is credited to a deferred income account until such time as all conditions associated with the grant are met. Once these conditions are achieved the credit is allocated to the relevant asset or liability. The amount of the grant is then released to net income over the expected useful life (by way of reduced depreciation or amortisation) of the relevant asset.

Q. Earnings per share

Basic earnings per share is determined by dividing the profit/(loss) after tax by the weighted average number of ordinary shares outstanding during the financial period. Diluted earnings per share is determined by dividing the profit/(loss) after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial period.

R. Income tax

Current income tax

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and / or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

S. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Statement of Cash Flow on a net basis and the GST component arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

T. Parent Entity financial information

The financial information for the parent entity, ReNu Energy, included in note 23, has been prepared on the same basis as the consolidated financial statements.

Notes to the Financial Statements (continued)

U. Comparative figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year. Certain comparative financial information presented in the Statement of Profit or Loss and Other Comprehensive Income, and Statement of Cash Flows have been reclassified in this financial report to improve the presentation of information. The reclassification results in no net change to loss or cash flows for the comparative period.

V. Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest dollars.

W. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

X. Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs. The Group does not have financial asset or liability carried at fair value. Subsequent measurement of financial assets and financial liabilities carried at amortised cost are described below.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

Notes to the Financial Statements (continued)

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Refer to Note 2M for accounting policy for borrowings.

Y. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. Right-of-use assets has been included in property, plant and equipment in the statement of financial position.

Z. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down. Lease liability has been included in borrowings in the statement of financial position.

AA. Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgement, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Notes to the Financial Statements (continued)

Remediation provision

The Company utilised the full $1,425,201 of the remediation provision during the year. The abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia is now complete. In order to surrender the sole remaining geothermal licence, some surface remediation activities need to be completed.

Impairment

The Company announced on 30 July 2020 that it had entered into an agreement to dispose of the remaining 30% interest in Bioenergy assets. Under this arrangement the Company would not recover the costs of $261,399 for capital works made in relation to the Bioenergy assets or the loan of $1,066,140 to the associate company, RE Holding Company One Pty Ltd. As a result an impairment of $1,327,539 (included in the general & administrative expenses) has been recorded against these assets.

Notes to the Financial Statements (continued)

Note 3A – Income

	2021 $	2020 $
(i) Revenue from contracts with customers		
Operating and maintenance services	-	151,198
	-	**151,198**
(ii) Other income		
Recoupment of rehabilitation costs[1]	-	206,621
R&D tax incentive received[2]	107,565	57,399
Grant income	113,000	68,000
Other	42,487	69,467
	263,052	**401,487**

1 Relates to the recoupment of rehabilitation costs from the JV partner
2 Total R&D incentive received or receivable is in relation to remediation costs

Note 3B – Personnel expenses

	2021 $	2020 $
Loss before income tax has been determined after charging the following specific items:		
Employee expenses	740,083	1,195,184
Termination payments	-	518,062
Share based payments	(48,308)	(104,885)
	691,775	**1,608,361**

Note 3C – Other operating expenses

	2021 $	2020 $
Business development costs	-	20,736
Depreciation of operational plant & equipment	4,082	8,975
Credit impairment losses	-	149,249
Facility operating costs	65,725	184,650
Rehabilitation costs	-	236,984
Project management	-	33,513
	69,807	**634,107**

Notes to the Financial Statements (continued)

Note 3D – General & administrative expenses

	2021 $	2020 $
Governance and investor relations	120,399	144,730
External advisory	236,321	288,080
Facility, IT and communications	62,941	155,376
Travel	3,716	45,566
Insurance	161,991	260,968
Depreciation on right of use asset	53,310	77,618
Impairment of loan	-	1,066,140
Impairment of plant and equipment	-	261,399
Other	32,044	18,998
	670,722	**2,318,875**

Note 3E – Finance costs

	2021 $	2020 $
Interest expense	1,512	7,379
Interest on lease liabilities	807	1,606
	2,319	**8,985**

Note 3F – Other expenses and losses/(gains)

	2021 $	2020 $
General and administrative expenses have been determined after charging/(crediting) the following specific items (amounts may be included above in notes 3B, 3C and 3D):		
Depreciation	57,392	86,593
Employer superannuation contributions paid or payable	40,118	112,981
	97,510	**199,574**

Notes to the Financial Statements (continued)

Note 4 – Income tax

	2021 $	2020 $
Income tax expense		
The prima facie tax benefit on loss of 26.0% (2020 – 27.5%) differs from the income tax provided in the financial statements as follows:		
Prima facie tax benefit on loss	260,490	1,239,587
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Change in R&D incentive for the prior year[1]	27,967	15,785
Other income/(expenses)	16,534	(30,092)
Utilisation of Losses not recognised	-	-
Income tax benefit/(expense)	304,991	1,225,280
Adjustments for current tax of prior periods	-	-
Deferred tax assets for tax losses and other temporary differences not recognised	(304,991)	(1,225,280)
Income tax expense	**-**	**-**

1 Change in R&D incentive represents amounts received in excess of carrying receivable balances

Income tax expense comprises:		
Current tax	-	-
Deferred tax	(304,991)	(1,225,280)
Adjustment for current tax of prior periods	-	-
Deferred tax asset	304,991	1,225,280
Total income tax expense	**-**	**-**

Tax losses	2021 $	2020 $
Unused tax losses for which no deferred tax asset has been recognised[1]	261,903,876	276,499,461
Potential tax benefit at 26.0% (2020 – 27.5%)	**68,098,555**	**76,037,352**

Deferred income tax

Deferred income tax at the end of the reporting period relates to the following:

	2021 $	2020 $
Deferred tax liabilities		
Other deferred tax liability	(1,151)	(4,064)
Total deferred tax liabilities (A)	**(1,151)**	**(4,064)**

Notes to the Financial Statements (continued)

Deferred tax assets		
Losses available for offset against future taxable income:		
Company	68,098,555	73,698,068
Subsidiary	-	2,339,284
Other deferred tax asset	90,167	639,942
Total deferred tax assets (B)	**68,188,722**	**76,677,294**
Net deferred tax assets (A) + (B)	68,187,571	76,673,230
Deferred tax assets not recognised[1]	(68,187,571)	(76,673,230)
Recognised net deferred income tax assets	-	-

1 Deferred tax assets arising from tax losses and temporary differences are only brought to account to the extent that it offsets the Group's deferred tax liabilities arising from temporary differences. As the Group does not have a history of taxable profits, the deferred tax assets associated with tax losses and temporary differences in excess of the Group's deferred tax liabilities arising from temporary differences is not yet regarded as probable of recovery at 30 June 2021.

Movement in deferred tax assets	**2021 $**	**2020 $**
Balance at the beginning of the year	76,677,294	74,720,174
(Charged)/credited to profit or loss:		
Tax losses	(4,013,786)	2,190,653
Trade and other payables	(160,975)	53,099
Provisions	(387,797)	(25,911)
Adjustment for deferred tax of prior periods	-	(260,222)
Accounting impairment	-	367,823
Recognition/(Derecognition) of DTA of Associated Entities	-	(181,432)
Change in tax rate	(3,926,014)	-
Other balances and transactions	-	(186,890)
Balance at the end of the year	**68,188,722**	**76,677,294**

Movement in deferred tax liabilities	**2021 $**	**2020 $**
Balance at the beginning of the year	(4,064)	(861)
(Charged)/credited to profit or loss:		
Trade and other receivables	2,847	(3,203)
Change in tax rate	66	-
Balance at the end of the year	**(1,151)**	**(4,064)**

Notes to the Financial Statements (continued)

Note 5 – Trade and other receivables

	2021 $	2020 $
Current		
Cash held as security	150,000	150,000
Trade receivables	-	228,960
GST Receivable	-	27,966
R&D Tax Incentive receivable	619,962	-
Interest receivable	27	14,777
Other receivables and deposits	9,798	55,837
Total current trade and other receivables	**779,787**	**477,540**
Non-current		
R&D Tax Incentive receivable	-	694,585
Total non-current trade and other receivables	**-**	**694,585**

Assets pledged as security

Of the cash held as security $150,000 (2020: $150,000) for bank guarantees (refer note 20).

Foreign exchange, interest rate and liquidity risk

Information about the Group's exposure to foreign exchange risk, interest rate risk and liquidity risk is provided in note 22. Trade and other receivables are non-interest bearing.

Fair value and credit risk

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 22 for more information on the risk management policy of the Group.

Impairment

The Group assesses impairment on a forward looking basis for its trade and other receivables carried at amortised cost. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. No expected credit loss has been recognised by the Group during the year.

Note 6 – Property, plant & equipment

	2021 $	2020 $
Plant and equipment at cost	20,057,836	20,057,836
Less: accumulated depreciation and impairment	(20,046,822)	(20,042,740)
Right of use assets at cost	14,375	41,150
Less: accumulated depreciation and impairment	-	(16,596)
Total Property, Plant and Equipment	**25,389**	**39,650**

Notes to the Financial Statements (continued)

Reconciliation of Plant & Equipment		
Carrying amount at beginning of the period	39,650	6,789,543
Additions	43,131	82,008
Disposals	-	(6,421,331)
Impairment[1]	-	(261,399)
Depreciation / amortisation expense	(57,392)	(149,171)
Carrying amount at the end of the period	**25,389**	**39,650**

1 Impairment of property, plant and equipment as result of the sale of the Bioenergy investment announced on 31 July 2020.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property	Equipment	Total
As at 1 July 2020	**23,320**	**1,234**	**24,554**
Additions	43,131	-	43,131
Depreciation expense	(52,076)	(1,234)	(53,310)
Disposals	-	-	-
As at 30 June 2021	**14,375**	**-**	**14,375**

Note 7 – Investment in Associates

Interests in associates

Name of entity	Ownership interest 2021	Ownership interest 2020	Carrying amount 2021 $	Carrying amount 2020 $
RE Holding Company One Pty Ltd	-	30%	-	-

RE Holding Company One Pty Ltd, in its capacity as trustee for the RE Holding Trust One, acts as holding company for entities which own bioenergy projects in Australia. In July 2018, the Company sold a 70% interest in RE Holding Company One Pty Ltd as described in note 15.

On 31 July 2020, the Company announced that it had accepted an offer from its Alliance Partner, Resonance Industrial Water Infrastructure Fund, to acquire the Group's 30% interest in the Goulburn and AJ Bush bioenergy projects for a consideration of $500,000.

As a result the investment in associate carrying value is nil as it was reclassified as an asset held for sale in 2020 (refer to note 15(c)). A gain on sale of the investment of $166,898 was recognised in the 2021 financial year.

Summarised financial information for associates	2021 $	2020 $

Notes to the Financial Statements (continued)

Summarised Statement of financial position		
Current assets	-	421,377
Non-current assets	-	5,443,848
Total assets	-	5,865,225
Current liabilities	-	(628,367)
Non-current liabilities	-	(3,570,062)
Total liabilities	-	(4,198,429)
Net assets	-	1,666,796
Reconciliation to carrying amount		
Group's interest	-	30%
Group's interest in net assets	-	500,039
Elimination of Group interest in (profits)/losses arising from transactions with associates	-	(168,476)
Reclassification as asset held for sale	-	(331,563)
Carrying amount of investment in associates	**-**	**-**

	2021[1] $	2020 $
Summarised statement of profit or loss and other comprehensive income		
Revenue	113,966	948,982
Loss from continuing operations	(71,421)	(518,209)
Total comprehensive loss	(71,421)	(518,209)
Group's share of loss of associates at 30%	**(21,426)**	**(155,463)**
Reclassification as discontinued operations	21,426	155,463
Group's share of loss of associates at 30%	**-**	**-**

1 For the period 1 July 2020 to date of completion of disposal 5 August 2020.

Notes to the Financial Statements (continued)

Note 8 – Trade and other payables

	2021 $	2020 $
Current		
Trade creditors	76,669	301,816
Accrued and other liabilities	441,457	106,168
GST payable	67,150	15,551
Trade creditors and accruals	**585,276**	**423,535**

Terms and conditions

Accounts payable and accrued liabilities are non-interest bearing. Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. All amounts are normally settled within 30 days, and discounts for early payment are normally taken where it is considered advantageous for the Company to do so. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Note 9 – Borrowings

	2021 $	2020 $
Current borrowings		
Lease liability	14,369	27,358
Other borrowings[1]	106,162	-
Total current borrowings	**120,531**	**27,358**

1 Other borrowings relates to insurance premium funding.

Changes in borrowings resulting from financing activities	2021 $	2020 $
Balance as at beginning of financial year	27,358	2,170,841
Facility from borrowings[1]	160,269	-
Disposal of lease liabilities on sale of solar business	-	(689,045)
Movement in lease liabilities	(12,989)	(21,249)
Repayments of principal[2]	(54,107)	(1,433,189)
Balance at the end of the financial year	**120,531**	**27,358**

1 Facility from borrowings relates to insurance premium funding.
2 Insurance premium funding instalments.

Notes to the Financial Statements (continued)

Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the period:

Changes in lease liabilities	**2021 $**	**2020 $**
At 1 July 2019	27,358	737,652
Disposal of lease liabilities from solar business	-	(689,045)
Additions	43,130	63,393
Interest	807	1,606
Lease payments	(56,926)	(86,248)
At 30 June	**14,369**	**27,358**
Current	14,369	27,358
Non-current	-	-
	14,369	**27,358**

The maturity analysis of lease liabilities are disclosed in Note 22(B).

Fair value of borrowings

The fair values of borrowings are not materially different from their carrying values as interest rates on those borrowings are either close to current market rates or the borrowings are of a short term nature.

Notes to the Financial Statements (continued)

Note 10 – Provisions

	Employee Entitlements $	Rehabilitation Provision $	Other Provisions $	Total Provisions $
At 30 June 2021	**-**	**-**	**-**	**-**
Current	20,832	-	**-**	**20,832**
Non-current	-	-	**-**	**-**
	20,832	**-**	**-**	**20,832**
At 30 June 2020				
Current	6,739	1,425,201	-	1,431,940
Non-current	-	-	-	-
	6,739	**1,425,201**	**-**	**1,431,940**

Movements in each class of provision during the financial year are set out below:

	Employee Entitlements $	Rehabilitation Provision $	Other Provisions $	Total Provisions $
At 1 July 2019	**73,858**	**1,394,838**	**102,736**	**1,571,432**
Provision raised during the year	69,330	293,486	5,915	**368,731**
Utilised	(136,449)	(263,123)	(2,984)	**(402,556)**
Divestment of solar operations	-	-	(105,667)	**(105,667)**
At 1 July 2020	**6,739**	**1,425,201**	**-**	**1,431,940**
Provision raised during the year	31,662	-	**-**	**31,662**
Utilised	(17,569)	(1,425,201)	**-**	**(1,442,770)**
At 30 June 2021	**20,832**	**-**	**-**	**20,832**

Employee entitlements

The provision for employee entitlements includes accrued annual leave and long service leave. All annual leave is expected to be taken within 12 months of the respective service being provided, so annual leave obligations are classified as current.

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements (continued)

Rehabilitation provision

The rehabilitation provision related to the Group's share of the expected cost to complete the rehabilitation of the Group's legacy geothermal sites. The well abandonment works were completed during the 2021 year.

Bank guarantees totalling $150,000 have been issued to the relevant government departments to cover tenement rehabilitation obligations.

Note 11 – Issued capital

	2021 $	2020 $
Authorised Shares		
132,762,922 (2020 – 120,634,341) fully paid ordinary shares	**358,435,465**	**357,069,848**

MOVEMENT IN ORDINARY SHARE CAPITAL:		NUMBER OF SHARES	ISSUE PRICE $ PER SHARE	$
30/06/19	**Balance at end of financial year**	**122,068,491**		**357,074,708**
10/9/19	Share issue costs	-	-	(4,860)
17/9/19	Share cancellation[1]	(1,434,150)	-	-
30/06/20	**Balance at end of financial year**	**120,634,341**		**357,069,848**
3/12/20	Share cancellation[1]	(14,424,000)	-	-
8/6/21	Share issue[2]	26,552,581	0.055	1,460,392
8/6/21	Share issue costs	-	-	(94,775)
30/06/21	**Balance at end of financial year**	**132,762,922**		**358,435,465**

1. Employee share scheme buy back due to failure to satisfy vesting conditions.
2. Shares issued under capital raise to advance Renewable and Clean-Energy Incubator/Accelerator strategy.

Terms and conditions of contributed equity

Ordinary Shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Note 12 – Reserves

	2021 $	2020 $
Share based payment reserve	-	48,307
Foreign currency translation reserve	-	15,464
	-	**63,771**
Reconciliation of Reserves		
Carrying amount at beginning	63,771	168,656
Net share based payments expense recognised	(48,307)	(104,885)
Recognition of foreign currency translation reserve [1]	(15,464)	-
	-	**63,771**

1 Relates to the deregistration of a subsidiary company.

Notes to the Financial Statements (continued)

Nature and purpose of reserves

Share based payment reserve

The employee share based payment reserve is used to record the value of share appreciation rights and share loan plan shares granted to employees, including Key Management Personnel, as part of their remuneration.

Foreign currency translation reserve

This reserve records the differences arising as a result of translating the financial statements of subsidiaries recorded in foreign currencies to the presentational currency.

Note 13 – Expenditure commitments

Geothermal tenement commitments

In order to maintain current rights of its geothermal tenements, the Company is required to outlay annual rentals and to meet certain expenditure requirements of the Department for Energy and Mining, South Australia. These obligations are subject to renegotiation upon expiry of the tenements. The obligations are not provided for in the financial report and are payable as follows:

	2021 $	2020 $
Payable not later than one year	-	17,200

Note 14 - Earnings per share

	2021 Cents per share	2020 Cents per share
Basic and diluted earnings/(loss) per share attributable to the equity holders of the Company:		
From continuing operations	(0.86)	(3.38)
From discontinued operations	0.11	(0.36)
	(0.75)	**(3.74)**

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:	2021 $	2020 $
Net profit/(loss) attributable to equity shareholders:		
From continuing operations	(1,147,357)	(4,082,237)
From discontinued operations	145,472	(425,354)
	(1,001,885)	**(4,507,591)**

	2021 Shares	2020 Shares
Weighted average number of ordinary shares used in calculation of basic and diluted earnings per share	**113,975,549**	**121,247,251**

As the Group has generated a loss, potential ordinary shares have been deemed to be anti-dilutive.

Notes to the Financial Statements (continued)

Note 15 – Discontinued Operations and Assets Classified as Held for Sale

During the year ended 30 June 2021, the Group disposed of its 30% interest in the Goulburn and AJ Bush bioenergy projects for a consideration of $500,000 to its Alliance Partner, Resonance Industrial Water Infrastructure Fund.

During the year ended 30 June 2020, the Group disposed of a 100% interest in the solar projects. On 4 September 2019, the Company completed the sale of a 100% interest in RE Holding Company Two Pty Ltd, RE Holding Company Three Pty ltd and ReNu Energy Retail Pty Ltd, recognising a loss of $17,516. The result from the solar operations up until the date of sale have been classified as discontinued operations.

(a) Profit from discontinued operations after tax	**2021 $**	**2020 $**
Revenue – sales income	-	240,874
Interest revenue	-	35
Expenses	-	(252,061)
Depreciation	-	(61,332)
Borrowing costs	-	(306,851)
Interest	-	(28,503)
Share of associated companies profit/(loss)	(21,426)	(155,463)
Gain on disposal of subsidiary – refer to (b) below	166,898	(17,516)
Gain on sale of property, plant and equipment	-	-
Net gain / (loss) from discontinued operations	**145,472**	**(580,807)**
Income tax expense	**-**	**-**
Net gain / (loss) from discontinued operations after tax	**145,472**	**(580,817)**
Net cash flows from discontinued operations		
Net cash outflow from operating activities	(19,322)	234,301
Net cash inflow from investing activities	500,000	5,775,000
Net cash outflow from financing activities	-	(306,851)

(b) Details of the sale of the subsidiaries	**2021[1] $**	**2020[2] $**
Consideration received or receivable		
Cash	500,000	5,775,000
Receivables	-	-
Carrying amount of net assets sold / derecognised	(333,102)	(5,757,032)
Transaction costs	-	(35,484)
Gain/(loss) on sale	**166,898**	**(17,516)**

1 Relates to the disposal of the 30% interest in the bioenergy projects on 5 August 2020.

2 Relates to the disposal of the solar projects on 4 September 2020.

Notes to the Financial Statements (continued)

(c) Assets and liabilities of discontinued operation	2021 $	2020 $[1]
Assets		
Cash	-	-
Trade and other receivables	-	319,681
Property, plant & equipment	-	5,756,266
Right of use assets	-	638,513
Total assets	**-**	**6,714,460**
Liabilities		
Trade and other payables	-	(162,624)
Lease liability	-	(689,045)
Provisions	-	(105,759)
Total liabilities	**-**	**(957,428)**
Net assets	**-**	**5,757,032**

1 Relates to the carrying amount of the net assets and liabilities of RE Holding Company Two Pty Ltd, RE Holding Company Three Pty Ltd, ReNu Energy Retail Pty Ltd as at the date of the sale.

(d) Assets held for sale	2021 $	2020 $
Investment in Bioenergy Alliance[1]	-	331,563
Inventories	-	59,300
Total assets held for sale	**-**	**390,863**

1 Relates to the carrying amount of the 30% investment in the bioenergy projects as at the date of sale.

Note 16 – Remuneration of Auditors

	2021 $	2020 $
Auditors of the Group - BDO		
Audit and review of the financial statements	53,934	44,050
Other assurance services	-	-
Total services provided by BDO	**53,934**	**44,050**

During the year there were nil (2020: nil) fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Notes to the Financial Statements (continued)

Note 17 – Key Management Personnel

Compensation of Key Management Personnel

	2021 $	2020 $
Short-term employee benefits	615,658	843,164
Post-employment benefits	26,444	82,185
Termination benefits	-	457,900
	642,102	**1,383,249**

Further information on remuneration of Key Management Personnel is shown in the Remuneration Report contained within the Directors' Report.

Note 18 – Related party disclosures

Related party transactions with Directors

The Group engaged Pacific Energy Partners Pty Ltd to provide consulting services. The key resource from Pacific Energy Partners Pty Ltd is Tim Scholefield (Executive Director). Consulting fees of $261,454 were paid during the year (2020: $112,622). The material terms of the engagement of Pacific Energy Partners are disclosed in section 4 of the Remuneration Report.

Notes to the Financial Statements (continued)

Note 19 - Notes to the Statement of Cash Flows	2021 $	2020 $
A. Reconciliation of cash		
Cash balance comprises:		
Cash at bank	2,468,210	2,448,803
Term deposits	-	-
Total cash – excluding cash held by disposal group held for sale	**2,468,210**	**2,448,803**
B. Reconciliation of the operating loss after tax with the net cash flows used in operations		
Loss after income tax	(1,001,885)	(4,507,590)
Depreciation and amortisation	57,392	86,593
Impairment of property, plant and equipment	-	261,399
Impairment of loans	-	1,066,140
Share based payments expense	(48,308)	4,760
Share of losses of associates	21,426	155,463
Credit impairment losses	-	149,249
Items treated as cash flows from financing activities:		
Transaction costs of loans and borrowings	-	315,851
Changes in Operating Assets & Liabilities		
(Increase)/decrease in receivables and prepayments	397,530	17,983
Increase/(decrease) in other creditors and accruals	249,579	(474,376)
Decrease in provisions	(1,410,911)	(242,611)
Net Cash Flow used in Operating Activities	**(1,789,284)**	**(3,167,139)**

Notes to the Financial Statements (continued)

Note 20 – Contingent liabilities

Bank guarantees

The Group's bankers have issued bank guarantees as security for relevant Government authorities in respect of tenement rehabilitation obligations of the Company: $150,000 (2020: $150,000);

As noted in note 5, these amounts are secured over cash deposits.

Note 21 – Subsequent events

Investment in Uniflow

On 14 July 2021, the Company announced that it had restructured the terms of its investment in Uniflow Power Limited.

Under the original terms agreed on 25 June 2021, ReNu Energy had an obligation to invest $1.5 million equity in two tranches subject principally to Uniflow shareholder approval to acquire more than 20% of Uniflow.

Under the restructured terms agreed on 14 July 2021, the investment will now occur in three tranches (with the second and third tranche at ReNu Energy's discretion) comprising:

1) $0.25 million of working capital loan by convertible loan which was provided 16 July 2021;
2) At ReNu's Energy's election, equity investments of $0.75 million and $0.50 million on or before 1 October 2021 (which can be extended) and 1 March 2022 respectively; and
3) 3 free attaching options for every share acquired by ReNu Energy at an option exercise price equal to the share issue price and expiring at various dates.

Share Options

Under the terms of the 2 June 2021 capital raising of $1.46 million by way of a placement at $0.055 per share, subject to shareholder approval, subscribers are entitled to receive 1 attaching option for every two shares subscribed for, with a strike price of $0.07 per share and an expiry date of 31 December 2023. The granting of the 13,276,291 attaching options (**Options**) was approved by shareholders at an extraordinary general meeting held on 12 August 2021.

Shareholder approval was also obtained at the extraordinary general meeting held on 12 August 2021 for the grant of 7,500,000 options with an exercise price of $0.07 per share expiring on 31 December 2023 to the lead manager and broker of the capital raising (**Broker Options**).

ReNu Energy intends to apply for the grant of quotation of the Options and Broker Options, subject to being able to satisfy the conditions of quotation.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 22 – Financial risk management

The Group's principal financial instruments comprise cash, short-term deposits and borrowings. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations. The Group does not trade in financial instruments. The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Notes to the Financial Statements (continued)

Primary responsibility for identification and control of financial risks rests with the board of Directors, however the day-to-day management of these risks is under the control of the Chief Executive Officer. The Board agrees the strategy for managing future cash flow requirements and projections.

(A) Credit risk

The Group's maximum exposures to credit risk at balance date in relation to financial assets, is the carrying amount of those assets as recognised on the reporting of financial position. There are no derivative financial instruments currently being used by the Group to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties for material transactions and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The Group's retail business does have exposure to small business customers for whom credit records may not be readily available, however individual exposures have not been assessed as posing a material credit risk to the Group.

(B) Liquidity risk

The Group's objective is to maintain adequate capital to finance its current operations and near-term growth opportunities while maintaining sufficient funds to meet its obligations in the event of a business downturn. The Group plans to introduce conservative levels of debt financing to fund its growth plans, with repayment profiles which match the expected cash flows from the relevant business operations. The Group's financial liabilities and their contractual maturities are:

Contractual maturities of financial liabilities

2021	Less than 6 months	Between 6 months & 1 year	Between 1 year & 2 years	Between 2 years & 5 years	Total contractual cash flows	Total carrying value
	$	$	$	$	$	$
Trade payables	76,669	-	-	-	-	76,669
Lease liabilities	14,369	-	-	-	-	14,369
Total financial liabilities	**91,038**	**-**	**-**	**-**	**-**	**91,038**

2020	Less than 6 months	Between 6 months & 1 year	Between 1 year & 2 years	Between 2 years & 5 years	Total contractual cash flows	Total carrying value
	$	$	$	$	$	$
Trade payables	301,816	-	-	-	-	301,816
Lease liabilities	30,820	-	-	-	-	30,820
Total financial liabilities	**332,636**	**-**	**-**	**-**	**-**	**332,636**

(C) Market risk

Currency risk

The Group does not have any material exposure to foreign currency risk (2020: nil), but may cover the expected cost of firm orders denominated in foreign currencies with forward contracts from time to time.

Notes to the Financial Statements (continued)

Interest rate risk

The Group's cash balances are held in a combination of interest-bearing term deposits and bank accounts. For each 10% movement in the interest rate, the Group's profit/loss after tax would increase/decrease by $2,200 if the year end cash balance was invested at those rates for 12 months.

The Group's borrowings are at fixed rates of interest and there is no exposure to interest rate risk.

Note 23 – Information relating to ReNu Energy Limited (The Parent)

	2021 $	2020 $
Current Assets	3,398,711	3,251,568
Total Assets	3,424,100	3,686,045
Current Liabilities	(726,639)	(1,306,045)
Total Liabilities	(726,639)	(1,306,045)
Contributed Equity	358,435,465	357,069,845
Accumulated Losses	(355,738,004)	(354,738,153)
Other Reserves	-	48,308
	2,697,461	**2,380,000**
Profit or (loss) of the Parent Entity	(1,001,885)	(3,489,555)
Total comprehensive income of the Parent Entity	(1,001,885)	(3,489,555)

Contractual obligations

In order to maintain current rights of its geothermal tenements, ReNu Energy Limited is required to outlay annual rentals and to meet certain expenditure requirements of the Department of State Development, South Australia. These obligations are subject to renegotiation upon expiry of the tenements.

The obligations are not provided for in the financial report and are payable as follows:

	2021 $	2020 $
Geothermal obligations: payable not later than one year	-	17,200
	-	**17,200**

Directors' Declaration

In accordance with a resolution of the Directors of ReNu Energy Limited, I state that:

1. In the opinion of the Directors:

The financial statements, notes and additional disclosures included in the Directors' Report designated as audited of the Company are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of their performance for the period ended on that date; and

(b) complying with Accounting Standards and Corporations Regulations 2001;

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

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

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 30 June 2021.

On behalf of the Board.

Boyd White
Chairman
Brisbane
31 August 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of ReNu Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ReNu Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

BDO

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Remediation Provision

Key audit matter	*How the matter was addressed in our audit*
Refer to note 10 to the financial statements The Group had a remediation provision which relates to the Group's share of the expected cost to complete the remaining remediation of the Group's legacy geothermal sites. During the year ended 30 June 2021, the Group's obligation to the remaining remediation was undertaken in accordance with agreements in place between the licensees. Subsequently, the Group's obligation was fulfilled, and the provision was reduced to nil. This was deemed a key audit matter as the remediation provision has been of historical importance to the users of the financial statements as a material balance and with the remediation work substantially complete the accounting for the close out of the provision required significant judgements from management.	Our audit procedures included but were not limited to the following: • Reviewing the remediation completion reports and licensee agreements to assess whether additional costs are anticipated which may require further provision at year end. • Assessing management's accounting treatment of the remediation provision close out.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 18 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of ReNu Energy Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

R M Swaby
Director

Brisbane, 31 August 2021