Propel Funeral Partners Limited

ABN 41 616 909 310

Appendix 4E – Financial Report
For the year ended 30 June 2018

Lodged with Australian Securities Exchange under Listing Rule 4.2A

Results for announcement to the market

This Appendix 4E is to be read in conjunction with the Financial Report of Propel Funeral Partners Limited for the year ended 30 June 2018 and any public announcements made during the year in accordance with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules.

Propel Funeral Partners Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Propel Funeral Partners Limited
ABN:	41 616 909 310
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	75.5%	to	80,869
Operating net profit after tax ('Operating NPAT') (refer below)	up	163.6%	to	10,864
Loss from ordinary activities after tax attributable to the shareholders of Propel Funeral Partners Limited	down	521.4%	to	(14,270)
Loss for the year attributable to the shareholders of Propel Funeral Partners Limited	down	521.4%	to	(14,270)

	Amount per security cents	Franked amount per security cents
Dividend paid on 15 November 2017 (Pre IPO)	46.000	46.000

Comments
The loss for the Company (and its subsidiaries) ('Group') after providing for income tax amounted to $14,270,000 (30 June 2017: profit of $3,386,000).

The result was impacted by the one-off, non-cash share-based payment expense which was recognised as a result of the Restructure (as defined below) and transaction costs relating to the IPO (as defined below) totalling $24,658,000.

Operating NPAT is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') nor International Financial Reporting Standards ('IFRS') and represents the results under AAS/IFRS adjusted for specific non-recurring items. The directors consider Operating NPAT to be one of the core earnings measures for the Group.

The following table summarises key reconciling items between statutory (loss)/profit after tax attributable to the shareholders of the Company, and Operating NPAT:

	Consolidated 2018 $'000	Consolidated 2017 $'000
(Loss)/profit after income tax	(14,270)	3,386
Add: One-off, non cash share-based payment expense	21,878	-
Add: Acquisition and IPO transaction costs	3,505	781
Less: Release of contingent consideration	(981)	(60)
Add: Tax effect IPO adjustments	661	-
Add: Foreign exchange (losses)/gains	7	(9)
Add: Net loss on disposal of fixed assets	64	23
Operating NPAT	**10,864**	**4,121**

Refer to the financial report and the Investor Presentation released to the market with this Appendix 4E Preliminary Final Report for detailed explanation and commentary on the results.

3. Net tangible assets

	Consolidated 2018 $'000	Consolidated 2017 $'000
Net assets	179,847	46,822
Less: Deferred tax assets	(2,471)	(675)
Add: Deferred tax liabilities	5,580	3,426
Less: Goodwill	(91,105)	(63,550)
Net tangible assets	**91,851**	**(13,977)**

	Consolidated 2018	Consolidated 2017
Number of ordinary shares on issue	98,163,089	30,432,486

	Reporting period cents	Previous period cents
Net tangible assets per ordinary security	**93.57**	**(45.93)**

4. Dividends

Current period
On 15 November 2017, prior to the Company's admission to the official list of the Australian Securities Exchange ('ASX') ('IPO') and shortly before the Company acquired the entire issued share capital of PFP Midco Pty Limited (formerly Propel Funeral Partners Limited) ('PFP Midco') ('Restructure'), PFP Midco paid a fully franked pre IPO dividend of 46 cents per share (a total of $13,999,000). There were no other dividends paid, recommended or declared during the year ended 30 June 2018.

Dividends not recognised at year end
In addition to the above dividend, and since the reporting date, the directors declared a fully franked dividend of 6.4 cents per ordinary share on 28 August 2018. The dividend will be paid on 5 October 2018 to eligible shareholders on the register as at 5 September 2018. This equates to a total estimated distribution of $6,282,000, based on the number of ordinary shares on issue as at 28 August 2018. The financial effect of the dividend declared after the reporting date is not reflected in the 30 June 2018 financial statements and will be recognised in the subsequent financial period.

Previous period
In November 2016, a $3,000 unfranked dividend was paid to a non-controlling interest. There were no other dividends paid, recommended or declared during the year ended 30 June 2017.

5. Dividend reinvestment plans

Not applicable.

6. Acquisition or disposals of controlled entities, businesses or assets

On 22 August 2017, the Group acquired 100% of the issued share capital of Erceg McIntyre Pty Limited (trading as Seasons Funerals) ('Seasons Funerals'), a provider of funeral directing services which currently operates from 9 locations in Western Australia.

On 31 January 2018, the Group acquired the business, assets and certain freehold properties from Brindley Group Pty Ltd and its associated entities ('Brindley Group'), a provider of funeral directing services which currently operates from 18 locations in New South Wales and Victoria.

On 8 April 2018, Norwood Park Pty Limited ('Norwood Park'), a provider of cremation and cemetery services which currently operates from 3 locations in the Australian Capital Territory, Queensland and New South Wales became a wholly owned subsidiary of the Group.

Refer to note 27 to the financial statements for further details.

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7. Details of any associates and joint venture entities required to be disclosed

Details of origin of accounting standards used in compiling the report:

None.

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8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

None.

The financial statements have been audited and an unqualified opinion has been issued.

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9. Attachments

Details of attachments (if any):

The financial report of Propel Funeral Partners Limited for the year ended 30 June 2018 is attached.

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10. Signed

Signed ___________________________

Albin Kurti
Managing Director

Signed _____________________________ Date: 28 August 2018

Brian Scullin
Chairman

Propel Funeral Partners Limited

ABN 41 616 909 310

Financial Report
For the year ended 30 June 2018

Directors' report	2
Auditor's independence declaration	17
Statement of profit or loss and other comprehensive income	18
Statement of financial position	19
Statement of changes in equity	20
Statement of cash flows	21
Notes to the financial statements	22
Directors' declaration	63
Independent auditor's report to the members of Propel Funeral Partners Limited	64

The directors of Propel Funeral Partners Limited present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Propel Funeral Partners Limited (ACN 616 909 310) (referred to hereafter as 'Propel', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Due to rounding, numbers presented in this directors' report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Background
Propel owns and operates businesses, properties, infrastructure and related assets in the death care industry which stand to benefit from the growing and ageing population. As at the date of this directors' report, the Group comprises long established providers of funeral services operating from 107 properties (52 freehold and 55 leasehold) across 6 states and territories of Australia and in New Zealand, including 24 cremation facilities and 7 cemeteries. The Group has appointed Propel Investments Pty Limited (ACN 117 536 357) ('Manager') to, among other things, identify investment opportunities and manage those investments on its behalf pursuant to a management agreement ('Management Agreement').

Propel was incorporated on 19 January 2017 but did not undertake any trading activities until it completed a restructure whereby PFP Midco Pty Limited (ACN 154 640 310) (formerly Propel Funeral Partners Limited) ('PFP Midco') became a wholly owned subsidiary of the Company ('Restructure'). The Restructure occurred on 16 November 2017. On 23 November 2017, the Company was admitted to the official list of the Australian Securities Exchange ('ASX') ('IPO').

As a result of the Restructure, the Group's financial statements represent a continuation of the business of PFP Midco. The comparative financial information presented for the year ended 30 June 2017 ('FY17') represents that of PFP Midco and its subsidiaries. The current year financial information represents that of PFP Midco and its subsidiaries for the year ended 30 June 2018 ('FY18') together with Propel from the date of the Restructure to 30 June 2018, including acquisitions completed.

This directors' report includes certain financials measures, such as Operating EBITDA (operating earnings before interest, tax, depreciation and amortisation), Operating EBIT (operating earnings before interest and tax) and Operating NPAT (operating net profit after tax) which are not prescribed by Australian Accounting Standards ('AAS') nor International Financial Reporting Standards ('IFRS') and represents the result under AAS/IFRS adjusted for specific non-recurring items including the one-off, non-cash share-based payment expense disclosed in the prospectus prepared by the Company in connection with the IPO ('Prospectus'), transaction costs, non-operating income and expenses and net foreign exchange impacts. The directors consider Operating EBITDA, Operating EBIT and Operating NPAT to reflect the core earnings of the Group. These financial measures, along with other measures have not been subject to specific audit or review procedures by the Company's auditor, but have been extracted from the accompanying financial statements.

Directors
The following persons were directors of Propel during the whole of the financial year and up to the date of this directors' report, unless otherwise stated:

Brian Scullin - Chairman (appointed 11 September 2017)
Naomi Edwards (appointed 19 September 2017)
Jonathan Trollip (appointed 19 September 2017)
Albin Kurti
Fraser Henderson
Peter Dowding (resigned on 24 October 2017)

All of the individuals listed above were directors of PFP Midco prior to the Restructure. Albin Kurti and Fraser Henderson remain directors of PFP Midco.

Principal activities
The principal activities of the Group during the financial year were the provision of death care related services in Australia and New Zealand.

Dividends
Dividends paid during the financial year were as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Pre IPO dividend of 46 cents per ordinary share	13,999	-
Unfranked dividend paid to non-controlling interest	-	3
	13,999	3

Prior to the IPO and shortly before the Restructure, PFP Midco paid a fully franked pre IPO dividend of 46 cents per share (a total of $13,999,000). There were no other dividends paid, recommended or declared during the year ended 30 June 2018.

In addition to the above dividend, and since the reporting date, the directors declared a fully franked dividend of 6.4 cents per ordinary share on 28 August 2018. The dividend will be paid on 5 October 2018 to eligible shareholders on the register as at 5 September 2018. This equates to a total estimated distribution of $6,282,000, based on the number of ordinary shares on issue as at 28 August 2018. The financial effect of the dividend declared after the reporting date is not reflected in the 30 June 2018 financial statements and will be recognised in the subsequent financial period.

The dividend declared represented 80% of Distributable Earnings (NPAT adjusted for non-cash, one-off and non-recurring items) for the circa 7 month period from 17 November 2017, being the date of completion of the offer made in connection with the IPO ('Completion of the Offer') to 30 June 2018.

All dividends referred to above were fully franked at the Company tax rate of 30%.

In respect of FY17, a $3,000 unfranked dividend was paid to a non-controlling interest in November 2016. There were no other dividends paid, recommended or declared during FY17.

Significant changes in the state of affairs
During FY18, the Company experienced the following significant changes in its state of affairs:
- implemented the Restructure;
- conducted the IPO raising total proceeds of $131,156,000 ('IPO Proceeds');
- used approximately $81,437,000 of the IPO Proceeds as follows:
  - $19,601,000 relating to the payment of cash proceeds to the previous shareholders of PFP Midco;
  - $55,663,000 to repay debt; and
  - $6,173,000 to pay costs of the IPO;
- completed the following acquisitions which totalled $38,738,000 (excluding transaction costs):
  - 100% of the issued share capital of Erceg McIntyre Pty Ltd trading as Seasons Funerals ('Seasons Funerals'), which currently operates from 9 locations in Western Australia;
  - the business, assets and certain freehold properties of Brindley Group Pty Limited and its associated entities ('Brindley Group'), which currently operates from 18 locations in New South Wales and Victoria;
  - 100% of the issued share capital of Norwood Park Pty Limited ('Norwood Park'), which currently operates from 3 locations in New South Wales, Queensland and the Australian Capital Territory; and
  - 2 other freehold properties; and
- executed binding legal documentation to acquire the business, assets and a freehold property of Newhaven Funerals Pty Ltd and its associated entities ('Newhaven Funerals NQ') which operates from 2 locations in North Queensland.

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

Financial and operating review

In FY18, Propel reported pro forma:

- Revenue of $80,869,000, an increase of 75.5% on the prior year;
- Operating EBITDA of $21,478,000, an increase of 75.0% on the prior year; and
- Operating NPAT of $12,318,000, an increase of 124.7% on the prior year.

The table below summarises the statutory and pro forma full-year results of Propel:

	Pro forma actuals		Statutory actuals	
	FY18 $000	FY17 $000	FY18 $000	FY17 $000
Total revenue	**80,869**	**46,072**	**80,869**	**46,072**
Cost of sales	(24,473)	(14,041)	(24,473)	(14,041)
Gross profit	56,397	32,031	56,397	32,031
...margin	*69.7%*	*69.5%*	*69.7%*	*69.5%*
Total operating costs	(34,918)	(19,755)	(35,033)	(19,936)
Operating EBITDA	**21,478**	**12,275**	**21,364**	**12,095**
...margin	*26.6%*	*26.6%*	*26.4%*	*26.3%*
Depreciation	(3,049)	(1,734)	(3,049)	(1,734)
Operating EBIT	18,429	10,541	18,314	10,361
...margin	*22.8%*	*22.9%*	*22.6%*	*22.5%*
Other income/expenses	876	105	876	82
Transaction/acquisition costs	(725)	(678)	(3,505)	(781)
One off share based payment expense	-	-	(21,878)	-
EBIT	**18,580**	**9,968**	**(6,193)**	**9,663**
Interest expense	(83)	(181)	(2,046)	(2,865)
Interest income	397	89	397	89
Net financing charge on pre-paid contracts	(808)	(1,261)	(808)	(1,261)
Net profit/(loss) before tax	**18,086**	**8,615**	**(8,650)**	**5,626**
Income tax expense	(5,582)	(3,134)	(5,620)	(2,240)
Net profit/(loss) after tax	**12,504**	**5,481**	**(14,270)**	**3,386**
Operating NPAT	12,318	5,481	10,864	4,121
Basic earnings per share (eps)	12.74	5.58	(19.71)	11.13

The variance between the Company's statutory profit/(loss) after tax and pro forma profit after tax arises from:

- listed company costs: deducting additional corporate expenses as a consequence of Propel being listed on the ASX. These costs primarily relate to listing fees, accounting and additional non-executive director fees;
- management agreement changes: adding back the management fee expense under the previous management agreement and deducting the administration fee of $60,000 per quarter in accordance with the Management Agreement;
- changes in the capital structure: adding back interest associated with debt;
- IPO costs: adding back transaction costs expensed in respect of the IPO;
- one off, non-cash share-based payment expense: adding back the one off, non-cash share-based payment expense recognised as a result of the Restructure; and
- tax effect of pro forma adjustments: reflects the income tax effect of the proforma adjustments made in connection with the IPO at a tax rate of 30%.

The major income statement line items for the Group down to Operating EBITDA are presented below:

	FY18 $'000	FY17 $'000	Change $'000	Change %
Funeral operations	72,255	40,744	31,511	77.3%
Cemetery and memorial gardens	6,884	4,421	2,463	55.7%
Other trading revenue	1,730	906	823	90.8%
Total revenue	**80,869**	**46,072**	**34,797**	**75.5%**
Cost of sales	(24,473)	(14,041)	(10,432)	74.3%
Gross profit	**56,397**	**32,031**	**24,366**	**76.1%**
Employment costs	(23,672)	(13,528)	(10,144)	75.0%
Occupancy and facility costs	(5,662)	(2,662)	(3,000)	112.7%
Administration fees	(240)	(240)	-	-
Other operating costs	(5,344)	(3,325)	(2,019)	60.7%
Total operating costs	(34,918)	(19,755)	(15,163)	76.8%
Operating EBITDA	**21,478**	**12,275**	**9,143**	**75.0%**

Certain pro forma financial results, operating and financial metrics for the Group compared to the FY18 Prospectus forecast are presented below:

	FY18 Pro forma actual $m	FY18 Prospectus forecast $m	Variance %
Total revenue	80.9	73.7	9.7%
Operating EBITDA	**21.5**	**18.4**	**16.4%**
Operating EBIT	18.4	15.9	15.8%
EBIT	18.6	15.9	16.8%
Net profit after tax	12.5	10.4	20.4%
Operating NPAT	12.3	10.4	18.5%

	FY18 Proforma Actual	FY18 Prospectus Forecast	Achieved	Comments
Operating metrics				
Number of locations	103	80	Yes	
Number of funerals	10,111	9,907	Yes	
Average revenue per funeral*	$5,508	$5,330	Yes	
Financial metrics				
Gross profit margin	69.7%	68.2%	Yes	
Employee costs as a % of total revenue	29.3%	30.6%	Yes	
Occupancy costs as a % of total revenue	7.0%	6.2%	No	More leasehold properties due to acquisitions completed
Operating EBITDA margin	26.6%	25.0%	Yes	
Operating EBIT margin	22.8%	21.6%	Yes	
Cash flow conversion**	96.5%	98.9%	No	Minor working capital movements

* excluding direct disbursements and delivered pre-paid funeral impacts

** the percentage of Operating EBITDA converted into ungeared, pre-tax operating cash flow

In addition to exceeding the FY18 Prospectus forecast, the Company exceeded the Operating EBITDA guidance for FY18 announced on 26 February 2018 of $21,100,000 (‘Guidance’) by 1.8%.

Commentary on the results is provided below:

Revenue
Revenue increased by 75.5% from $46,072,000 in FY17 to $80,869,000 in FY18, driven by a 77.3% increase in revenue from funeral operations. The reported revenue of $80,869,000 exceeded the full year FY18 Prospectus forecast revenue of $73,747,000 by 9.7%.

The number of funerals increased by 67.0% from 6,054 in FY17 to 10,111 in FY18, primarily due to Propel completing the acquisition of Seasons Funerals and Brindley Group during the year as well as the full year impact of 6 acquisitions completed in FY17. The businesses owned throughout FY17 and FY18 experienced a 1.8% decrease in the number of funerals (FY17: 3.2% increase), below historical long term trends primarily due to a lower number of deaths in the markets in which Propel operates (FY17: number of deaths above long term historical trends). Observable market share remained stable.

Average Revenue Per Funeral increased by 5.5% from $5,223 in FY17 to $5,508 in FY18 which was impacted by the Seasons Funerals and Brindley Group acquisitions completed during FY18, the full year impact of 6 acquisitions completed in FY17, favourable sales mix, price rises and refinements to the Group's offering. The businesses owned throughout FY17 and FY18 experienced a 6.5% increase in Average Revenue Per Funeral during the year.

In FY18, the Company generated 46% of its revenue from metropolitan areas, up from 37% in FY17 and in line with estimates for FY18 set out in the Prospectus.

Gross profit margin
The FY18 gross profit margin of 69.7% was marginally higher than FY17 (69.5%) and above the full year FY18 Prospectus forecast gross margin of 68.2%.

Operating costs and Operating EBITDA
Pro forma operating costs increased by $15,163,000 which included the full year impact of acquisitions completed in FY17 and the part year impact of acquisitions completed in FY18.

Pro forma Operating EBITDA increased 75.0% from $12,275,000 in FY17 to $21,478,000 in FY18, primarily due to contributions from the full year impact of acquisitions completed in FY17 and the part year impact of acquisitions completed in FY18. The reported pro forma Operating EBITDA of $21,478,000 exceeded the full year FY18 Prospectus forecast of $18,445,000 by 16.4% and the Guidance by 1.8%.

The FY18 Operating EBITDA margin of 26.6%:
- was in line with the FY17 Operating EBITDA margin; and
- exceeded the FY18 Prospectus forecast of 25.0%.

The Operating EBITDA margin was influenced by, amongst other things:
- the financial and operating metrics of acquisitions completed during the year;
- the mix of freehold and leasehold properties, resulting in an increase in third party lease expenses; and
- an increase in accounting and finance staff to support the Company's growth.

Pre-paid contracts
Funds held in connection with the pre-paid contracts are largely held with third party friendly societies who invest the funds in cash and fixed interest. In FY18, pre-paid contracts that turned at need in Australia accounted for approximately 9.6% of Propel's Australian funeral volume which was in line with FY17. It should be noted that there are no pre-paid contracts in the New Zealand business.

Propel recognises investment returns generated on funds held for pre-paid contracts net of non-cash financing charges. During FY18, the average investment return on pre-paid contracts was 1.8%. The non-cash financing charge applied was 3.8% which was based on Propel's implied cost of debt as at 30 June 2018. The net financing charge decreased from FY17, mainly due to:
- interest bonuses recognised which resulted in the investment returns being approximately 1.8% (FY17: 1.4%); and
- a reduction in the financing charge due to a reduction in the implied cost of debt of 3.8% (FY17: 5.5%).

The net financing charge is disclosed below Operating EBITDA.

Income tax expense

Income tax on pro forma profit was $5,582,000 (FY17: $3,134,000), representing an effective tax rate of 30.9% (FY17: 36.4%). The effective tax rate is impacted by the net financing charge on pre-paid contracts, stamp duty paid on business combinations which are non-deductible expenses and release of contingent consideration which is non-assessable income. Excluding these items, the effective tax rate was 29.9% (FY17: 29.9%).

Cash flow highlights

The cash flows for the Group are presented below:

	Pro forma actuals		Statutory actuals	
	FY18	FY17	FY18	FY17
	$000	$000	$000	$000
Receipts from customers (inclusive of GST)	89,109	49,788	89,109	49,846
Payments to suppliers and employees (inclusive of GST)	(68,383)	(37,653)	(68,497)	(38,045)
Income taxes paid	(4,591)	(3,779)	(3,568)	(2,880)
Interest paid	(41)	(102)	(2,324)	(2,442)
Interest received	452	52	452	89
Net cash provided by operating activities	**16,545**	**8,306**	**15,172**	**6,568**
Payment for purchase of business, net of cash acquired	(39,482)	(52,210)	(39,482)	(51,971)
Payments for property, plant and equipment	(3,969)	(1,655)	(3,969)	(1,655)
Other investing cash flows	195	(1,303)	195	(1,303)
Net cash used by investing activities	**(43,256)**	**(55,168)**	**(43,256)**	**(54,929)**
Proceeds from issue of shares, net of transaction costs			105,382	-
Net repayment of borrowings			(41,699)	43,999
Dividends paid			(13,999)	(3)
Other financing cash flows			(145)	(115)
Net cash provided by financing activities			**49,540**	**43,881**
Net increase in cash during the year			21,455	(4,480)
Cash at the start of the year			6,843	11,267
exchange rate effects			(40)	56
Cash at the end of the year			**28,259**	**6,843**

Pro forma cash flows provided by operating activities were up on FY17 by $8,239,000 to $16,545,000. This was attributable to an increase in Operating EBITDA primarily due to the Seasons Funerals, Brindley Group and Norwood Park acquisitions completed during FY18 and the full year impact of acquisitions completed in FY17.

Pro forma cash flow conversion was 96.5% in FY18, compared to 98.9% achieved in FY17 as shown in the table below:

	Pro forma actuals		Statutory actuals	
	FY18	FY17	FY18	FY17
	$000	$000	$000	$000
Operating EBITDA	**21,478**	**12,275**	**21,364**	**12,095**
Net cash provided by operating activities	16,545	8,306	15,172	6,568
Add finance costs	41	102	2,324	2,442
Add income tax paid	4,591	3,779	3,568	2,880
Less interest received	(452)	(52)	(452)	(89)
Ungeared, tax free, operating cash flow	**20,725**	**12,136**	**20,612**	**11,801**
Operating EBITDA converted to ungeared, tax free, operating cash flow	**96.5%**	**98.9%**	**96.5%**	**97.6%**

The FY18 cash flow conversion of 96.5% was marginally below the FY18 Prospectus forecast (98.9%) due to minor working capital movements.

The table below summarises capital expenditure in FY18 and FY17:

	FY18 $000	FY17 $000
Property, refurbishments and facility upgrades	2,888	1,008
Motor vehicles	631	553
Other assets	90	94
Total capital expenditure	**3,609**	**1,655**

In respect of the above, capital expenditure included:

- $1,281,000 relating to 2 property refurbishments and 3 new leasehold sites;
- $574,000 relating to the purchase of 3 new cremators; and
- $631,000 relating to purchasing of motor vehicles.

Maintenance capital expenditure amounted to 3.7% of FY18 revenue which compared to 3.1% in FY17.

As at 30 June 2018, the Group had:

- cash and cash equivalents ('Cash') of approximately $28,259,000; and
- no senior debt.

Matters subsequent to the end of the financial year

On 2 July 2018, the Group completed the acquisition of the business, assets and a freehold property of Newhaven Funerals NQ which operates from 2 locations in North Queensland. Consideration of $3,739,000 was paid on settlement and a further amount of $295,000 (present value) will be paid if certain financial thresholds are achieved, representing total consideration of $4,034,000. Goodwill of $2,012,000 has been estimated and is attributable to the locations and the profitability of the acquired business.

Due to the timing of the completion of the above acquisition and the date of these financial statements, the disclosure above uses provisional figures. Business combination accounting for this acquisition will be finalised as part of the full year reporting for the 12 months ended 30 June 2019.

On 27 August 2018, the Group entered into a 3 year, $50,000,000 senior debt facility with Westpac Banking Corporation.

On 28 August 2018, the directors declared a fully franked dividend of 6.4 cents per ordinary share which represented 80% of Distributable Earnings for the circa 7 month period from Completion of the Offer to 30 June 2018. This equates to a total estimated distribution of $6,282,000. Refer to note 19 for further details.

In addition, the Group:

- acquired or commenced the process of exercising options over 3 properties, 2 of which are currently tenanted by Propel; and
- exchanged a contract to acquire a parcel of land which is a potential greenfield expansion opportunity,

for aggregated consideration of approximately $6,261,000.

The Group agreed terms on a new 5 year head office lease with a third party landlord.

Apart from the events disclosed above, no other matter or circumstance has arisen since 30 June 2018 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.

Likely developments and expected results of operations

The Group will continue to focus on managing its existing investments and completing new acquisitions and investments in the death care industry in Australia and New Zealand.

Propel continues to be well positioned to generate sustainable long-term growth and value creation. The Group operates in a fragmented and essential service industry with assets and infrastructure that are difficult to replicate, and stand to benefit from a growing and ageing population, over the long term.

The Group expects to benefit from the full period impact of three acquisitions completed in FY18 (i.e. Seasons Funerals, Brindley Group and Norwood Park), the part period impact of the recently completed acquisition of Newhaven Funerals NQ, the property transactions referred to above, other potential future acquisitions and organic growth, assuming death volumes track in line with long term trends and no material changes in market conditions.

Environmental regulation

The Group's operations are subject to environmental regulation under the laws in the jurisdictions in which it operates. The Company's board of directors ('Board') continually reviews its obligations and monitors processes to ensure compliance with regulatory requirements.

Information on directors

Name:	Mr Brian Edwin Scullin
Title:	Independent Non-Executive Chairman
Qualifications:	Bachelor of Economics from the Australian National University.
Experience and expertise:	Brian has more than 20 years' experience in the funds management industry in both Australia and Asia. Following a career in the Federal Government and politics, Brian was appointed the Executive Director of the Association of Superannuation Funds of Australia ('ASFA') in 1987. In 1993, he joined Bankers Trust, holding a number of senior positions, including President of Japan Bankers Trust. He was appointed Chief Executive Officer – Asia/Pacific for Deutsche Asset Management in 1999. He retired from that full time position in 2002, although remained a Non-Executive Director of Deutsche Asset Management until June 2007. Brian has held many industry positions including Vice Chair of the Financial Services Council (then known as IFSA), a part-time member of the Federal Government's Financial Reporting Council and a panel member for the Financial Industry Complaints Service. Brian is currently a Non-Executive Director of the Tasmanian Development Board, Tasplan Super, Macquarie Point Development Corporation and OAK Possability (a not-for-profit organisation in the Tasmanian disability sector).
Other current directorships:	Chairman of Hastings Funds Management
Former directorships (last 3 years):	Chairman of Spark Infrastructure Limited, BT Investment Management Limited and Non-executive Director of Dexus Property Group.
Special responsibilities:	Chair of the Board Member of Audit and Risk Committee
Interests in shares:	388,652 ordinary shares held indirectly

Name:	Ms Naomi Jane Edwards
Title:	Independent Non-Executive Director
Qualifications:	First class honours degree in mathematics from the University of Canterbury and is a Fellow of the Institute of Actuaries (London) as well as a Fellow of the Australian and New Zealand Institutes of Actuaries.
Experience and expertise:	Naomi is a professional company director who has chaired listed ASX companies, industry super funds and not-for-profit organisation. An actuary by training, with an executive background in the financial services industry, Naomi has a strong reputation in the responsible investing industry. Naomi is the current Chairwoman of Tasplan Super, Member of the Tasmanian Economic Development Board and Non-Executive Director of the Australian Institute of Superannuation Trustees.
Other current directorships:	None
Former directorships (last 3 years):	Hunter Hall Limited.
Special responsibilities:	Chair of Audit and Risk Committee
Interests in shares:	32,878 ordinary shares held directly

Name:	Mr Jonathan Alfred Grey Trollip
Title:	Independent Non-Executive Director
Qualifications:	Postgraduate degrees in economics and law, was admitted as a qualified lawyer in England and Australia and is a Fellow of the Australian Institute of Company Directors.
Experience and expertise:	Jonathan is an experienced Non-Executive Director with over 30 years of commercial, corporate, governance, legal and transaction experience. Prior to becoming a professional Non-Executive Director Jonathan worked as a principal of Meridian International Capital Limited for over 20 years, and before that he was a Partner with law firm Herbert Smith Freehills. In the philanthropy area he is chairman of Science for Wildlife Limited, and a director of The Watarrka Foundation and the University of Cape Town Australia Alumni Trust.
Other current directorships:	Non-executive chairman of ASX listed Antipodes Global Investment Company Limited, Future Generation Investment Company Limited, Plato Income Maximiser Limited, Spicers Limited, Spheria Emerging Companies Limited and Global Value Fund Limited. Non-executive director of Kore Potash PLC (ASX, AIM and JSE listed).
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee
Interests in shares:	381,495 ordinary shares held indirectly

Name:	Mr Albin Kurti
Title:	Managing Director and Head of Investments
Qualifications:	Chartered Accountant, Bachelor of Commerce from the University of Melbourne, Masters in Business Administration from the Victoria University of Technology
Experience and expertise:	Albin co-founded the Company and is a director of the Manager. Albin has extensive experience in sourcing, screening, executing and actively managing investments. He commenced his career in the insolvency and corporate finance division of Arthur Andersen, where he qualified as a chartered accountant and worked in Melbourne and Brunei. In 2000, he moved to Sydney and joined Deutsche Asset Management and, in 2007, he co-led the management buy-out of the private capital division of Deutsche Bank. He has led, co-led or been a key investment team member on a range of mergers and acquisitions ('M&A') transactions and has been a director of numerous private companies. He played an important role in the sale of Bledisloe Holdings to InvoCare in 2011.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	9,839,211 ordinary shares held indirectly

Name:	Mr Fraser Henderson
Title:	Executive Director, Head of Mergers and Acquisitions and General Counsel and Company Secretary
Qualifications:	LLB from the University of Newcastle-Upon-Tyne, LLM from the Sydney University, Diploma in Applied Corporate Governance ('FCIS') and the Australasian Investor Relations Association (‘DipInvRel’) and has completed the directors’ course run by the Australian Institute of Company Directors (‘GAICD’).
Experience and expertise:	Fraser co-founded the Company and is a director of the Manager. He commenced his legal career with Ashurst, where he worked in both London and Singapore. In 2003, he moved to Sydney and joined Minter Ellison, becoming a Partner in their Private Equity and Capital Markets team in 2006. He joined the Manager in 2008, where he became a director of a number of the Manager’s investee companies. He co-led a number of transactions for the Manager, and played an important role in the sale of Bledisloe Holdings to InvoCare in 2011.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee. Company Secretary.
Interests in shares:	6,887,302 ordinary shares held directly and indirectly

'Other current listed directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships of listed entities (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

The Company Secretary is Fraser Henderson. For his experience refer to 'Information on directors' section above.

Meetings of directors

The number of meetings of the Board held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Brian Scullin	9	9	3	3
Naomi Edwards	6	6	3	3
Jonathan Trollip	6	6	3	3
Albin Kurti	12	12	3	3
Fraser Henderson	12	12	3	3
Peter Dowding	5	6	-	-

Held: represents the number of meetings held during the time the director held office.

The Company does not have a separate Nomination Committee. However, the Board has agreed that a majority of directors must be independent directors, there must be an independent Chair and the Board must comprise directors with an appropriate mix of qualifications, skills, expertise and experience appropriate for the Company's strategy.

The Board (as a group) considers, from time to time, board succession issues as well as whether it is suitably constituted to ensure it has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. These matters are also considered by the Audit and Risk Committee.

The Board does not currently have a Remuneration Committee, principally because the persons providing the services that are ordinarily provided by senior executives are not employees of the Company, and do not receive a salary from the Company.

In addition to the directors, the Head of Finance, Lilli Gladstone, is also a member of the Audit and Risk Committee.

Remuneration Report (audited)

This Remuneration Report details the nature and amount of remuneration paid to Propel Investments Pty Limited ('Manager') and each director of the Company, in accordance with the requirements of the Corporations Act 2001 ('Corporations Act') and its Regulations. Prior to the restructure undertaken on 16 November 2017 ('Restructure') in connection with the Company's listing on the ASX, the Company was not required to prepare a Remuneration Report. As such, information regarding remuneration presented below is for the year ended 30 June 2018 ('FY18') only.

The Manager

Prior to listing, the Company entered into a management agreement with the Manager with respect to the management services to be provided by the Manager ('Management Agreement') for an initial term of 10 years commencing on 17 November 2017 ('Commencement Date') ('Initial Term'). The services to be provided under the Management Agreement include, among other things, identifying and managing investments within the death care industry.

Fees

The Manager currently makes available individuals (including its officers and employees) to discharge its obligations to the Company. Their remuneration is not an expense of the Company as they are paid by the Manager. Instead, the Company pays fees to the Manager for providing management services which, during the Initial Term, comprises an Administration Fee and a Performance Fee as follows:

- Administration Fee of $60,000 per quarter plus GST, escalated by Consumer Price Index ('CPI') annually; and
- Performance Fee, calculated on each anniversary of the Commencement Date on the following basis (subject to the recoupment of any prior underperformance):
  - if the annualised Total Shareholder Return (including grossed up dividends) is less than or equal to a benchmark of 8% ('Benchmark'), the Performance Fee will be zero; and
  - if the annualised Total Shareholder Return (including grossed up dividends) is greater than the Benchmark, the Performance Fee will be 20% of the absolute dollar value that the Total Shareholder Return is greater than the Benchmark.

As an example, assuming an opening market capitalisation of $265.0 million and a Total Shareholder Return of 10% in the first calculation period, the outperformance amount would be $5.3 million and the Performance Fee payable to the Manager would be 20% of the outperformance amount being $1.1 million (excluding GST), in the first calculation period.

During the Initial Term, no management fee is payable to the Manager. After the Initial Term, the Company will pay the Manager a quarterly management fee of 0.375% plus GST of the market capitalisation of the Company, payable in arrears. After the Initial Term, the management fee will be payable in addition to the Administration Fee and the Performance Fee.

The employees of the Group are employed by various subsidiaries of the Company; none of these employees are considered to be key management personnel for the purposes of this report. Some of these employees, such as general managers and finance managers, report into the individuals made available by the Manager.

Oversight of fee payments

There is independent oversight in respect of the calculation and payment of fees to the Manager. The calculation and payment of fees paid to the Manager are audited as part of the annual financial statement audit. The Performance Fee calculation is subject to audit by the Company's auditors, Nexia Sydney Audit Pty Ltd, and review by the independent directors, at the time the fee is calculated.

Reinvestment of fees

The Manager may, by notice to the Company ('Notice') and subject to any regulatory approvals or ASX waivers, require the Company to pay up to a maximum of 50% of the Performance Fee in the Company's shares, the issue price for which would be determined by reference to the Volume Average Weighted Price ('VWAP') of the Company's shares in the 10 trading days up to and including the date of the Notice.

Expense reimbursement

The Manager is entitled to be paid or reimbursed for the fees, costs and expenses (excluding the costs incurred by the Manager in engaging its own officers and employees) properly incurred in connection with an investment, management of the Company or the acquisition, disposal or maintenance of an investment.

Directors

The Board comprises five directors, three of whom are independent non-executive directors (including the Chairman) and two of whom are non-independent executive directors that have been nominated by the Manager.

The Board considers an independent director to be a director who is not a member of management (or associated with the Manager) and who is free of any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the director's ability to act in the best interests of the Company. The Board regularly reviews the independence of each director in light of information disclosed by each director to the Board.

The Board considers that each of Brian Scullin, Naomi Edwards and Jonathan Trollip is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the director's ability to act in the best interests of the Company, and is able to fulfil the role of an independent director.

Albin Kurti and Fraser Henderson are directors and, through their associated entities, shareholders of the Manager and are considered by the Board not to be independent.

Remuneration

Fees and payments to directors reflect the demands that are made on, and the responsibilities of, the directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced directors.

Under the constitution of the Company and the ASX Listing Rules, the total amount of fees paid to all non-executive directors in any financial year must not exceed the aggregate amount of non-executive directors' fees approved by shareholders at the Company's Annual General Meeting. In respect of FY18, the fees payable to the current non-executive directors were $164,000 in aggregate. The annual directors' fees currently agreed to be paid to the Chairman is $80,000 (inclusive of superannuation) and to each other non-executive director is $50,000 (inclusive of superannuation).

Non-executive directors may be paid such additional or special remuneration (out of the funds of the Company) as the Board may determine is appropriate where a director performs extra work or services which are outside the scope of ordinary duties of a director of the Company or a subsidiary of the Company.

Albin Kurti and Fraser Henderson do not receive any directors' fees from the Company. Peter Dowding did not receive any directors' fees whilst he was a director of the Company.

Directors do not receive bonuses nor are they issued options over securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees. Directors are not entitled to any other remuneration, however, they may be reimbursed for travel and other expenses incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees of the Board.

Directors' remuneration in FY18 is set out below:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2018	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Brian Scullin	65,956	-	-	6,266	-	-	72,222
Naomi Edwards	42,111	-	-	4,001	-	-	46,112
Jonathan Trollip	42,111	-	-	4,001	-	-	46,112
	150,178	-	-	14,268	-	-	164,446

None of the non-executive directors' remuneration is linked to performance and 100% is fixed.

Director related entities remuneration

Albin Kurti, Fraser Henderson (both directors of the Company) and Peter Dowding (a former director of the Company), through their associated entities, are shareholders of the Manager. In accordance with the Management Agreement, the Manager was paid an Administration Fee of $149,000 (exclusive of GST) for the period from 17 November 2017 to 30 June 2018. The Manager was paid fees of $302,000 (exclusive of GST) for the period 1 July 2017 to 16 November 2017, in accordance with a previous management agreement made between PFP Midco and the Manager.

As at 30 June 2018, the balance owing to the Manager in respect of the Administration Fee was nil.

In addition, the Manager is to be paid a potential Performance Fee, as outlined above and detailed in the Prospectus. In FY18, no Performance Fee was payable to the Manager. The first potential Performance Fee will be determined during November 2018 and, if a Performance Fee is payable, the amount of the Performance Fee will be expensed in the year ended 30 June 2019. Refer to note 23 (Contingent liabilities) to the financial statements for further details.

No director has received or become entitled to receive a benefit (other than those detailed above and in the financial report) by reason of a contract made by the Company or a related entity of the Company with the director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

Remuneration of senior executives

The Company considers that the Manager provides the services that would ordinarily be performed by senior executives. None of the Manager's officers and employees are paid a salary by the Company. The Manager is remunerated as outlined above.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during FY18 by each director, including their associated entities, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other	Balance at the end of the year
Ordinary shares					
Brian Scullin	-	-	388,652	-	388,652
Naomi Edwards	-	-	32,878	-	32,878
Jonathan Trollip	-	-	381,495	-	381,495
Albin Kurti *	7,500,000	-	2,472,878	(133,667)	9,839,211
Fraser Henderson *	6,000,000	-	994,235	(106,933)	6,887,302
Peter Dowding **	1,500,000	-	-	(1,500,000)	-
	15,000,000	-	4,270,138	(1,740,600)	17,529,538

* other represents a share consolidation event which occurred prior to the IPO.
** other represents the impact of the share consolidation event referred to above and the shares held by Peter Dowding at the date he resigned as a director (1,473,267) which does not represent a physical disposal of those shares.

The directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

One off, non-cash share-based payment expense
In respect of shares in the Company held by an entity associated with Albin Kurti, Fraser Henderson and Peter Dowding, a one-off, non-cash share-based payment expense of $21,878,000 was recognised, as a result of the Restructure undertaken in connection with the Company's listing on the ASX, during FY18. Refer to note 33 in the financial statements for further details.

This concludes the Remuneration Report, which has been audited.

Shares under option
There were no unissued ordinary shares of Propel Funeral Partners Limited under option outstanding at the date of this directors' report.

Shares issued on the exercise of options
There were no ordinary shares of Propel Funeral Partners Limited issued on the exercise of options during FY18 and up to the date of this directors' report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

The directors have entered into deeds of indemnity, insurance and access with the Group which confirms each director's right of access to Board papers and requires the Company to indemnify the directors on a full indemnity basis and to the fullest extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred as an officer of the Company or of a related body corporate.

Under the deeds of indemnity, insurance and access, the Company must maintain a directors and officers insurance policy insuring each director (among others) against liability as a director and officer of the Company and its related bodies corporate until seven years after each director ceases to hold office as a director of the Company or a related body corporate (or the date any relevant proceedings commenced during the seven year period have been finally resolved). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During FY18, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during FY18 by the auditor are outlined in note 22 to the financial statements.

The directors are satisfied that the provision of non-audit services during FY18, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity 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 issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Nexia Sydney Audit Pty Ltd

There are no officers of the Company who are former partners of Nexia Sydney Audit Pty Ltd.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this directors’ report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Nexia Sydney Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This directors’ report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Brian Scullin	Albin Kurti
Chairman	Managing Director

28 August 2018

Nexia Australia

To the Board of Directors of Propel Funeral Partners Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of Propel Funeral Partners Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Yours sincerely

Nexia Sydney Audit Pty Ltd

Joseph Santangelo
Partner

Date: 28 August 2018

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Propel Funeral Partners Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Revenue	5	80,869	46,072
Expenses			
Cost of sales and goods		(24,473)	(14,041)
Employee costs		(23,739)	(13,528)
Occupancy and facility expenses		(5,688)	(2,662)
Advertising expenses		(1,785)	(887)
Motor vehicle expenses		(1,098)	(581)
Management/administration fees		(451)	(793)
Other expenses		(2,436)	(1,485)
		21,199	12,095
Share-based payment expense	7	(21,878)	-
Acquisition and IPO transaction costs	7	(3,505)	(781)
Loss on disposal of assets		(70)	(23)
Other income	6	1,117	97
Depreciation and amortisation expense	7	(3,049)	(1,734)
Interest income		397	89
Interest expense		(2,046)	(2,865)
Net financing charge pre-paid contracts	8	(808)	(1,261)
Net foreign exchange (losses)/gains		(7)	9
(Loss)/profit before income tax expense		(8,650)	5,626
Income tax expense	9	(5,620)	(2,240)
(Loss)/profit after income tax expense for the year attributable to the shareholders of Propel Funeral Partners Limited		(14,270)	3,386
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,070)	772
Other comprehensive income for the year, net of tax		(1,070)	772
Total comprehensive income for the year attributable to the shareholders of Propel Funeral Partners Limited		(15,340)	4,158
		Cents	**Cents**
Basic earnings per share	32	(19.71)	11.13
Diluted earnings per share	32	(19.71)	11.13

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

Propel Funeral Partners Limited
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Assets			
Current assets			
Cash and cash equivalents	10	28,259	6,843
Customer deposits - monument works		719	925
Contract assets	8	45,640	35,565
Trade and other receivables	11	4,230	3,878
Inventories	12	2,730	1,264
Current tax assets	9	-	216
Prepayments		727	560
Total current assets		82,305	49,251
Non-current assets			
Property, plant and equipment	13	72,462	57,856
Goodwill	14	91,105	63,550
Deferred tax	9	2,471	675
Other assets		121	-
Total non-current assets		166,159	122,081
Total assets		248,464	171,332
Liabilities			
Current liabilities			
Trade and other payables	15	5,561	5,077
Borrowings	16	126	7,334
Income tax	9	1,586	-
Employee benefits		2,502	1,874
Contingent consideration		1,425	1,363
Deferred revenue - monument works		1,162	1,076
Contract liabilities	8	48,764	38,136
Total current liabilities		61,126	54,860
Non-current liabilities			
Borrowings	17	284	64,912
Deferred tax	9	5,580	3,426
Employee benefits		327	282
Contingent consideration		1,179	1,030
Other		121	-
Total non-current liabilities		7,491	69,650
Total liabilities		68,617	124,510
Net assets		179,847	46,822
Equity			
Issued capital	18	199,562	37,198
Foreign currency translation reserve		(298)	772
(Accumulated losses)/retained profits		(19,417)	8,852
Total equity		179,847	46,822

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

Propel Funeral Partners Limited
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Issued capital $'000	Vested options $'000	Foreign currency translation reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2016	37,198	19	-	5,469	42,686
Profit after income tax expense for the year	-	-	-	3,386	3,386
Other comprehensive income for the year, net of tax	-	-	772	-	772
Total comprehensive income for the year	-	-	772	3,386	4,158
Transactions with shareholders in their capacity as shareholders:					
Cancellation of options - cash settled	-	(19)	-	-	(19)
Dividends paid (note 19)	-	-	-	(3)	(3)
Balance at 30 June 2017	37,198	-	772	8,852	46,822

Consolidated	Issued capital $'000	Vested options $'000	Foreign currency translation reserve $'000	Retained profits/ accumulated losses $'000	Total equity $'000
Balance at 1 July 2017	37,198	-	772	8,852	46,822
Loss after income tax expense for the year	-	-	-	(14,270)	(14,270)
Other comprehensive income for the year, net of tax	-	-	(1,070)	-	(1,070)
Total comprehensive income for the year	-	-	(1,070)	(14,270)	(15,340)
Transactions with shareholders in their capacity as shareholders:					
Contributions of equity, net of transaction costs (note 18)	162,364	-	-	-	162,364
Dividends paid (note 19)	-	-	-	(13,999)	(13,999)
Balance at 30 June 2018	199,562	-	(298)	(19,417)	179,847

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

Propel Funeral Partners Limited
Statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		89,109	49,846
Payments to suppliers and employees (inclusive of GST)		(68,497)	(38,045)
		20,612	11,801
Interest received		452	89
Interest and other finance costs paid		(2,324)	(2,442)
Income taxes paid		(3,568)	(2,880)
Net cash from operating activities	30	15,172	6,568
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired*	27	(39,482)	(51,971)
Payments for property, plant and equipment		(3,969)	(1,655)
Payment of deferred consideration of business acquisitions		-	(1,444)
Proceeds from disposal of property, plant and equipment		211	141
Net movements in pre-paid funds		(16)	-
Net cash used in investing activities		(43,256)	(54,929)
Cash flows from financing activities			
Proceeds from issue of shares	18	111,555	-
Share issue transaction costs		(6,173)	-
Payments for terminating options		-	(30)
Proceeds from fixed rate notes	31	15,478	16,180
Repayment of fixed rate notes	31	(3,389)	-
Net (repayment)/proceeds of borrowings	31	(53,787)	27,849
Net repayment of hire purchases	31	(145)	(115)
Dividends paid	19	(13,999)	(3)
Net cash from financing activities		49,540	43,881
Net increase/(decrease) in cash and cash equivalents		21,456	(4,480)
Cash and cash equivalents at the beginning of the financial year		6,843	11,267
Effects of exchange rate changes on cash and cash equivalents		(40)	56
Cash and cash equivalents at the end of the financial year	10	28,259	6,843

* Acquisition costs of $708,000 were reclassified from payments to suppliers and employees to payment for purchase of business, net of cash acquired in the year ended 30 June 2017.

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

Note 1. General information

The financial statements cover Propel Funeral Partners Limited as the consolidated entity (referred to hereafter as the 'Group') consisting of Propel Funeral Partners Limited (referred to hereafter as 'Propel', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Propel is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 4, Jones Bay Wharf
26-32 Pirrama Road
Pyrmont NSW 2009

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

These financial statements are a business continuation of PFP Midco Pty Limited (ACN 154 640 310) (formerly Propel Funeral Partners Limited) ('PFP Midco') and therefore need to be read in conjunction with the financial statements of PFP Midco for the year ended 30 June 2017.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year ended 30 June 2018.

Except for Australian Accounting Standard AASB 15 'Revenue from Contracts with Customers' and its related amendments which was early adopted effective from 1 July 2016, which was otherwise mandatorily effective for annual periods commencing on or after 1 January 2018, any other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standard and Interpretation has been adopted from 1 July 2017:

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107
The Group has adopted AASB 2016-2 from 1 July 2017. The amendments to AASB 107 'Statement of Cash Flows' require the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Refer to note 31.

Note 2. Significant accounting policies (continued)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Acquisition of PFP Midco and comparative information
Propel was incorporated on 19 January 2017 but did not undertake any trading activities until it completed a restructure whereby PFP Midco became a wholly owned subsidiary of the Company ('Restructure'). The Restructure occurred on 16 November 2017. This acquisition did not represent a business combination in accordance with Australian Accounting Standard AASB 3 'Business Combinations'. Instead, the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation.

As a result of the Restructure, the financial statements represent a continuation of the business of PFP Midco. The comparative information presented for the year ended to 30 June 2017 represents that of PFP Midco and its subsidiaries. The current year financial information represents that of PFP Midco and its subsidiaries for the year ended to 30 June 2018, together with Propel from the date of the Restructure to 30 June 2018, including acquisitions completed.

Accordingly, the financial statements are a continuation of PFP Midco with the following principles having being applied:
- retained earnings and other equity balances in the consolidated financial statements at acquisition date are those of PFP Midco;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of PFP Midco, as well as the equity instruments issued by the Company to affect the acquisition; and
- no 'new' goodwill has been recognised as a result of the combination.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the contingent consideration arising from business combinations.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Propel as at 30 June 2018 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Significant accounting policies (continued)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Australian dollars at the closing rate. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

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

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rendering of service and sale of goods
Revenue is recognised upon rendering of service and sale of goods; i.e. when the funeral, cremation or other service are performed or goods supplied which is at a point in time. It is also at this point, that a pre-paid contract asset and liability is crystallised which results in the contract asset being recognised as cash and a contract liability recognised as revenue. Refer to pre-paid contract accounting policy for further explanation.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Propel (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Note 2. Significant accounting policies (continued)

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Pre-paid contracts

Pre-paid contracts held directly by the Group and with friendly societies are recognised in the statement of financial position. The profit or loss impact is the recognition of investment income earned on those funds and a finance charge to reflect the financing component associated with the contract liability to provide future goods and services relating to pre-paid contracts. In addition to this, administration fees charged at the time the pre-paid contract is written are recognised upon completion of the contract (i.e. when the funeral service is provided). The carrying value of the contract asset and contract liability is impacted by: the investment returns; the financing charge; contracts acquired through business combinations; sale of new pre-paid contracts; and completion of contractual services.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Inventories

Work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

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

Note 2. Significant accounting policies (continued)

Property, plant and equipment
Each class of property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	20 - 40 years
Improvements	3 - 40 years
Plant and equipment	2 - 25 years
Motor vehicles	4 - 10 years
Other	2 - 10 years

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets
Goodwill has an indefinite useful life and is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Contingent consideration
Contingent consideration is initially recognised at the present value of the Group's probability weighted estimate of the cash outflow. It reflects management’s estimate that the target will be achieved and is discounted using the Group incremental borrowing rate.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

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

Dividends
Dividends are recognised when declared during the financial year.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Note 2. Significant accounting policies (continued)

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Except for AASB 15, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However Operating EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be higher as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. Had the standard been adopted from 1 July 2018, and using the transitional rules available, the Group would have recognised a lease liability being the present value of the operating lease commitments as disclosed in note 24 with a corresponding increase in property, plant and equipment. However, the Group will adopt this standard from 1 July 2019 and the actual impact will depend on the operating leases held by the Group as at 1 July 2019 and the transitional elections made at that time. The Group has commenced its analysis of the changes which will enable the expected financial impacts to be quantified.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group has adopted this standard from 1 July 2018 and the impact is expected to be immaterial during any given reporting period.

IASB revised Conceptual Framework for Financial Reporting

The revised Conceptual Framework has been issued by the IASB, but the Australian equivalent has yet to be published. The revised framework is applicable for annual reporting periods beginning on or after 1 January 2020 and the application of the new definition and recognition criteria may result in future amendments to several accountings standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards may need to revisit such policies. The Group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Accounting for the corporate reorganisation prior to IPO
During the financial year, a corporate reorganisation took place prior to the Company's admission to the official list of the ASX. This resulted in Propel becoming the legal parent of the Group. The directors elected to account for the restructure as a capital reconstruction and group reorganisation rather than a business combination. In the directors' judgement, the continuation of the existing accounting values most appropriately reflects the substance of the internal restructure. As such, the consolidated financial statements of the Group have been presented as a continuation of the pre-existing accounting values of assets and liabilities of the consolidated financial statements of PFP Midco and include the amounts of the legal parent from the date of the Restructure and any subsequent acquisitions from the date of obtaining control.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs including any management probability analysis.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Contingent consideration
As discussed in note 2, contingent consideration is recognised at the present value of Group's probability weighted estimate of the cash outflow. Management estimates a 100% probability that the target will be achieved and the liability is discounted using the Group incremental borrowing rate.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into two geographic segments, Australian operations and New Zealand operations, both of which operate in the death care related services industry. The Australian operations include the aggregation of a number of businesses that exhibit similar long-term financial performance and economic characteristics.

The CODM reviews the segment results. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

Consolidated - 2018	Australian operations $'000	New Zealand operations $'000	Total $'000
Revenue			
Sales to external customers	65,490	15,260	80,750
Other revenue (excluding interest)	92	27	119
Total revenue	65,582	15,287	80,869
Segment result	18,057	3,142	21,199
Share-based payment expense	(21,878)	-	(21,878)
Acquisition and IPO transaction costs	(3,505)	-	(3,505)
Loss on disposal of assets	(20)	(50)	(70)
Other income	1,093	24	1,117
Depreciation and amortisation	(2,474)	(575)	(3,049)
Interest income	2,250	19	2,269
Finance costs	(2,051)	(1,867)	(3,918)
Net financing charge pre-paid contracts	(808)	-	(808)
Net foreign exchange loss	(9)	2	(7)
(Loss)/profit before income tax expense	(9,345)	695	(8,650)
Income tax expense			(5,620)
Loss after income tax expense			(14,270)
Assets			
Segment assets	234,492	31,860	266,352
Intersegment eliminations			(17,888)
Total assets			248,464
Liabilities			
Segment liabilities	65,276	21,229	86,505
Intersegment eliminations			(17,888)
Total liabilities			68,617

Note 4. Operating segments (continued)

Consolidated - 2017	Australian operations $'000	New Zealand operations $'000	Total $'000
Revenue			
Sales to external customers	43,124	2,693	45,817
Other revenue	250	5	255
Total revenue	43,374	2,698	46,072
Segment result	11,495	600	12,095
Acquisition and IPO transaction costs	(762)	(19)	(781)
Loss on disposal of assets	(23)	-	(23)
Other income	97	-	97
Depreciation and amortisation	(1,640)	(94)	(1,734)
Interest income	87	2	89
Finance costs	(2,864)	(1)	(2,865)
Net financing charge pre-paid contracts	(1,261)	-	(1,261)
Net foreign exchange gain	(1)	10	9
Profit before income tax expense	5,128	498	5,626
Income tax expense			(2,240)
Profit after income tax expense			3,386
Assets			
Segment assets	156,065	31,287	187,352
Intersegment eliminations			(16,020)
Total assets			171,332
Liabilities			
Segment liabilities	120,964	19,566	140,530
Intersegment eliminations			(16,020)
Total liabilities			124,510

Geographical information

	Geographical non-current assets	
	2018 $'000	2017 $'000
Australia	151,466	108,860
New Zealand	28,242	28,566
Intersegment eliminations	(16,020)	(16,020)
	163,688	121,406

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Revenue

	Consolidated 2018 $'000	Consolidated 2017 $'000
Revenue from contracts with customers	80,750	45,817
Other revenue		
Commission	61	58
Rent	58	197
	119	255
Revenue	80,869	46,072

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Funeral operations	72,255	40,744
Cemetery and memorial gardens	6,884	4,421
Other trading revenue	1,611	652
	80,750	45,817

Refer to note 4 for geographical regions information.

Note 6. Other income

	Consolidated 2018 $'000	Consolidated 2017 $'000
Gain on disposal of assets	5	-
Release of contingent consideration from prior acquisitions	981	60
Provision release for monument works	112	-
Other income	19	37
Other income	1,117	97

Note 7. Expenses

	Consolidated 2018 $'000	Consolidated 2017 $'000
(Loss)/profit before income tax includes the following specific expenses:		
Depreciation		
Buildings	792	477
Improvements	189	42
Plant and equipment	891	501
Motor vehicles	1,177	714
Total depreciation	3,049	1,734
Rental expense relating to operating leases		
Minimum lease payments	2,413	908
Superannuation expense		
Defined contribution superannuation expense	1,388	922
Other non-operating expenses		
Acquisition expenses	725	695
IPO and transaction costs	2,780	86
Share-based payment expense (notes 18 and 33)	21,878	-
Total other non-operating expenses	25,383	781

Note 8. Pre-paid contracts

	Consolidated 2018 $'000	Consolidated 2017 $'000
Profit or loss impact of undelivered pre-paid contracts		
Investment income pre-paid contracts	734	410
Finance charge pre-paid contracts	(1,542)	(1,671)
Net financing charge pre-paid contracts	(808)	(1,261)

	Consolidated 2018 $'000	Consolidated 2017 $'000
Movements in pre-paid contract assets		
Opening balance	35,565	23,017
Sales of new pre-paid contracts	3,167	3,429
Redemption of pre-paid contracts following service delivery	(3,868)	(2,261)
Increase due to business combinations	7,401	10,970
Increase due to business combinations - prior year	2,641	-
Increase due to investments returns	734	410
Closing balance	45,640	35,565

Note 8. Pre-paid contracts (continued)

	Consolidated 2018 $'000	Consolidated 2017 $'000
Contract assets pre-paid contracts expected to be realised within one year	3,638	2,453
Contract assets pre-paid contracts expected to be realised after one year	42,002	33,112
Total pre-paid contract assets	45,640	35,565

	Consolidated 2018 $'000	Consolidated 2017 $'000
Movements in pre-paid contract liabilities		
Opening balance	38,136	24,217
Sales of new pre-paid contracts	3,187	3,429
Decrease following delivery of services	(4,144)	(2,151)
Increase due to business combinations	7,401	10,970
Increase due to business combinations - prior year	2,642	-
Increase due to finance charge on pre-paid contracts	1,542	1,671
Closing balance	48,764	38,136

	Consolidated 2018 $'000	Consolidated 2017 $'000
Contract liabilities pre-paid contracts expected to be realised within one year	3,887	2,630
Contract liabilities pre-paid contracts expected to be realised after one year	44,877	35,506
Total pre-paid contract liabilities	48,764	38,136

All pre-paid contract amounts have been treated as current because the asset and the liability originate from the same pre-paid contract. The contract liability is recognised as a current liability as the Group does not have an unconditional right to defer settlement of the liability. Accordingly, because the liability is classified as current, the associated prepaid asset balance is also classified as current.

The asset and liability have been split between amounts ‘expected to be realised within one year’ and ‘amounts expected to be realised after one year’ based on historical trends.

Note 9. Income tax

	Consolidated 2018 $'000	Consolidated 2017 $'000
Income tax expense		
Current tax	5,022	2,290
Deferred tax - origination and reversal of temporary differences	598	(50)
Aggregate income tax expense	5,620	2,240
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(305)	(69)
Increase in deferred tax liabilities	903	19
Deferred tax - origination and reversal of temporary differences	598	(50)
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/profit before income tax expense	(8,650)	5,626
Tax at the statutory tax rate of 30%	(2,595)	1,688
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Net financing charge pre-paid contracts	213	506
Entertainment expenses	26	6
Acquisition and IPO transaction expenses	678	-
Share-based payments	6,563	-
Deferred tax balance adjustment due to the IPO	1,034	-
Other (non-assessable)/non-allowable items	21	43
Option expense	-	3
Release of contingent consideration	(304)	4
	5,636	2,250
Current year temporary differences not recognised	(6)	-
Difference in overseas tax rates	(10)	(10)
Income tax expense	5,620	2,240

	Consolidated 2018 $'000	Consolidated 2017 $'000
Amounts credited directly to equity		
Deferred tax assets	(1,118)	-

Note 9. Income tax (continued)

	Consolidated 2018 $'000	Consolidated 2017 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Impairment of receivables	197	19
Employee benefits	1,030	578
Accrued expenses	36	8
Finance facility establishment costs	63	70
	1,326	675
Amounts recognised in equity:		
Transaction costs on share issue	1,145	-
Deferred tax asset	2,471	675
Movements:		
Opening balance	675	442
Credited to profit or loss	305	69
Credited to equity	1,118	-
Additions through business combinations (note 27)	169	164
Reclassification of deferred tax assets	204	-
Closing balance	2,471	675

	Consolidated 2018 $'000	Consolidated 2017 $'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	5,580	3,550
Investment properties	-	(124)
Deferred tax liability	5,580	3,426
Movements:		
Opening balance	3,426	1,282
Charged to profit or loss	903	19
Additions through business combinations (note 27)	1,047	2,125
Reclassification of deferred tax assets	204	-
Closing balance	5,580	3,426

	Consolidated 2018 $'000	Consolidated 2017 $'000
Income tax refund due		
Income tax refund due	-	216

Note 9. Income tax (continued)

	Consolidated 2018 $'000	Consolidated 2017 $'000
Provision for income tax		
Provision for income tax	1,586	-

Note 10. Current assets - cash and cash equivalents

	Consolidated 2018 $'000	Consolidated 2017 $'000
Cash on hand	14	6
Cash at bank	28,245	6,837
	28,259	6,843

Note 11. Current assets - trade and other receivables

	Consolidated 2018 $'000	Consolidated 2017 $'000
Trade receivables - customer contracts	4,962	4,338
Less: Provision for impairment of receivable	(732)	(460)
	4,230	3,878

Impairment of receivables
The Group has recognised a loss of $456,000 (2017: $195,000) in profit or loss in respect of impairment of receivables for the year ended 30 June 2018.

The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Under 3 months overdue	11	44
3 to 6 months overdue	216	121
Over 6 months overdue	505	295
	732	460

Note 11. Current assets - trade and other receivables (continued)

Movements in the provision for impairment of receivables are as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Opening balance	460	167
Net provisions recognised	456	195
Additions through business combinations	16	270
Receivables written off during the year as uncollectable	(140)	(77)
Movement in acquired provisions	(52)	(95)
Movements in exchange rates	(8)	-
Closing balance	732	460

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $1,312,000 as at 30 June 2018 ($786,000 as at 30 June 2017).

The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on historical collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Under 3 months overdue	1,066	383
3 to 6 months overdue	246	258
Over 6 months overdue	-	145
	1,312	786

Note 12. Current assets - inventories

	Consolidated 2018 $'000	Consolidated 2017 $'000
Work in progress - at cost	61	-
Finished goods - at cost	2,669	1,264
	2,730	1,264

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2018 $'000	Consolidated 2017 $'000
Land - at cost	21,918	20,891
Buildings - at cost	35,707	28,640
Less: Accumulated depreciation	(1,942)	(1,108)
	33,765	27,532
Improvements - at cost	4,369	1,439
Less: Accumulated depreciation	(256)	(68)
	4,113	1,371
Plant and equipment - at cost	7,488	4,574
Less: Accumulated depreciation	(1,616)	(824)
	5,872	3,750
Motor vehicles - at cost	8,152	5,415
Less: Accumulated depreciation	(2,173)	(1,103)
	5,979	4,312
Construction in progress - at cost	815	-
	72,462	57,856

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

Consolidated	Land $'000	Buildings $'000	Improve-ments $'000	Plant and equipment $'000	Motor vehicles $'000	Construc-tion in progress $'000	Total $'000
Balance at 1 July 2016	7,478	16,580	178	1,377	2,326	-	27,939
Additions	31	4	535	805	553	-	1,928
Additions through business combinations	13,025	11,285	664	1,991	2,172	-	29,137
Disposals	-	(45)	-	(42)	(77)	-	(164)
Exchange differences	357	185	36	120	52	-	750
Depreciation expense	-	(477)	(42)	(501)	(714)	-	(1,734)
Balance at 30 June 2017	20,891	27,532	1,371	3,750	4,312	-	57,856
Additions	186	875	300	1,180	631	772	3,944
Additions through business combinations (note 27)	1,208	6,377	2,625	2,020	2,346	40	14,616
Disposals	-	-	(10)	(52)	(149)	-	(211)
Exchange differences	(366)	(179)	(25)	(60)	(67)	3	(694)
Transfers in/(out)	(1)	(48)	41	(75)	83	-	-
Depreciation expense	-	(792)	(189)	(891)	(1,177)	-	(3,049)
Balance at 30 June 2018	21,918	33,765	4,113	5,872	5,979	815	72,462

Property, plant and equipment secured under finance leases
Refer to note 24 for further information on property, plant and equipment secured under finance leases.

Note 14. Non-current assets - goodwill

	Consolidated	
	2018 $'000	2017 $'000
Goodwill - at cost	91,105	63,550

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

Consolidated	Goodwill $'000
Balance at 1 July 2016	34,258
Additions through business combinations	28,948
Exchange differences	344
Balance at 30 June 2017	63,550
Additions through business combinations (note 27)	28,111
Deferred tax liability adjustments for prior year business combinations	(148)
Exchange differences	(408)
Balance at 30 June 2018	91,105

Impairment testing
Goodwill acquired through business combinations has been allocated to Cash Generating Units ('CGUs') on a regional level, which is consistent with reporting and monitoring for management purposes. The CGUs identified for the year ended 30 June 2018 are as follows:

- New South Wales (NSW)
- Queensland (QLD)
- Victoria (VIC)
- Tasmania (TAS)
- South Australia (SA)
- Western Australia (WA)
- Australian Capital Territory (ACT)
- New Zealand (NZ)

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a 5 year discounted cash flow model. The Board approved budgeted cashflows have been used for the first year and then extrapolated for a further 4 years using steady rates, together with a terminal value. Budgeted cash flows have been based on past performance and expectations for the future.

Key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive are as follows:
- discount rate; and
- growth rates.

The pre-tax discount rate used for assessing the carrying value of goodwill of each CGU was 10.9% (2017: 10.9%) which reflects the risk estimates for the business as a whole.

Growth rates of 4% for revenue, 3.5% for cost of sales and goods and 2.3% for operating expenses and overheads have been adopted (2017: the modelling applied a growth rate to EBITDA of 3.0%). These growth rates are not inconsistent with historical trends and largely consistent with forecasts prepared by market analysts.

Based on the above, the Group recoverable amount exceeded the Group carrying amount. Given this, no impairment was recognised.

Note 14. Non-current assets - goodwill (continued)

Sensitivity
As disclosed in note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. Sensitivity analysis has been performed by adjusting underlying assumptions by 10%. The analysis indicated that significant headroom exists in the value-in-use calculations for each CGU.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2018 $'000	2017 $'000
Trade payables	2,188	2,496
Deposits	241	145
Accrued expenses	1,252	1,027
GST payable	511	666
Other payables	1,369	743
	5,561	5,077

Refer to note 20 for further information on financial instruments.

Note 16. Current liabilities - borrowings

	Consolidated	
	2018 $'000	2017 $'000
Bank loans	-	7,189
Hire purchase	126	145
	126	7,334

Refer to note 20 for further information on financial instruments.

Note 17. Non-current liabilities - borrowings

	Consolidated	
	2018 $'000	2017 $'000
Bank loans	-	45,085
Fixed rate notes	-	19,451
Hire purchase	284	376
	284	64,912

Refer to note 20 for further information on financial instruments.

Bank loans:
During the financial year, all senior debt was repaid using some of the proceeds raised in connection with the IPO. The Group had no senior borrowing facilities as at 30 June 2018. Refer to note 35 for details of the senior borrowing facilities entered into subsequent to 30 June 2018.

Note 17. Non-current liabilities - borrowings (continued)

Fixed rate notes:
During the financial year, the fixed rate notes were fully repaid (either in cash or via the issue of ordinary shares in the Company) as part of the Restructure.

Hire purchase
The hire purchase liabilities are secured as the rights to the leased assets, recognised in the statement of financial position and revert to the lessor in the event of default.

Note 18. Equity - issued capital

As a result of the Restructure, the financial statements represent a continuation of the business of PFP Midco (refer to the directors' report for further details). The Company was admitted to the official list of the ASX on 23 November 2017 and raised total proceeds of $131,156,000; $81,772,000 of which was committed or utilised in the following manner:
• $19,601,000 was paid to the previous shareholders of PFP Midco;
• $55,663,000 was used to repay debt; and
• $6,508,000 in connection with the costs of the IPO.

The Initial Shares were required to be fair valued as at the date of the Restructure and as a result a one-off, non-cash share-based payment expense of $21,878,000 was recognised in the profit or loss.

	Consolidated			
	2018 Shares	2017 Shares	2018 $'000	2017 $'000
Ordinary shares - fully paid	98,163,089	30,432,486	199,562	37,197
Incentive shares - fully paid	-	900,000	-	1
	98,163,089	31,332,486	199,562	37,198

Movements in ordinary share capital

Details	Date	Shares	Issue price / fair value	$'000
Balance	1 July 2016	30,432,486		37,197
Balance	30 June 2017	30,432,486		37,197
Initial Shares - Share-based payment (notes 7 and 33)	16 November 2017	14,732,667	$1.49	21,878
Restructure:				
Issue of shares to fixed rate note holders (note 17)	16 November 2017	11,681,305	$2.70	31,540
Completion of the Offer:				
Sale of PFP Midco shares to Propel	16 November 2017	(7,259,652)	$2.70	(19,601)
Issue of new shares	17 November 2017	48,576,283	$2.70	131,156
Transaction costs (net of tax)	17 November 2017	-	$0.00	(2,608)
Balance	30 June 2018	98,163,089		199,562

Note 18. Equity - issued capital (continued)

Movements in incentive shares

Details	Date	Shares	Issue price	$'000
Balance	1 July 2016	900,000		1
Balance	30 June 2017	900,000		1
Cancellation of incentive shares	16 November 2017	(900,000)	$0.00	(1)
Balance	30 June 2018	-		-

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets.

The Group would consider raising debt and/or equity to fund its investment strategy, if necessary. Refer to note 35 for details of the senior borrowing facilities entered into subsequent to 30 June 2018.

Note 19. Equity - dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2018 $'000	2017 $'000
Pre IPO dividend of 46 cents per ordinary share, fully franked	13,999	-
Unfranked dividend paid to non-controlling interest	-	3
	13,999	3

Note 19. Equity - dividends (continued)

On 15 November 2017, PFP Midco paid a fully franked pre IPO dividend to its shareholders of 46 cents per share (a total of $13,999,000). There were no other dividends paid, recommended or declared during the year ended 30 June 2018.

In addition to the above dividend, and since the reporting date, the directors declared a fully franked dividend of 6.4 cents per ordinary share on 28 August 2018. The dividend will be paid on 5 October 2018 to eligible shareholders on the register as at 5 September 2018. This equates to a total estimated distribution of $6,282,000, based on the number of ordinary shares on issue as at 28 August 2018. The financial effect of the dividend declared after the reporting date is not reflected in the 30 June 2018 financial statements and will be recognised in the subsequent financial period.

Franking credits

	Consolidated	
	2018	2017
	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	6,922	4,605

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 20. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. During the year ended 30 June 2018 (and in the prior financial year), the Group was not a party to any derivative financial instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and ageing analysis for credit risk.

Strategic risk management is carried out by the Board. The Audit & Risk Committee is responsible for operational and financial risk management. Matters addressed by the Audit & Risk Committee include, but are not limited to, identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Manager identifies, evaluates and hedges (where relevant) financial and operational risks within the Group's operating units. The Manager confers with the Board no less than four times a year regarding the financial and operational performance of the Group and strategic risk management matters.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from recognised financial assets and financial liabilities that are denominated in a currency that is not the Group's functional currency, the Australian dollar. The foreign exchange exposure relates to the investments in controlled entities in New Zealand. However, the Group is not exposed to significant foreign currency risk.

Price risk

The Group is the ultimate beneficiary of the funds vested in various pre-paid contract trusts, as described in note 2 and note 8 (Pre-paid contracts). The funds are held in cash and fixed interest investments which have no price risk associated with the investment.

Note 20. Financial instruments (continued)

Interest rate risk
The Group's main interest rate risk arises from borrowings, cash at bank and pre-paid contracts. Borrowings, cash at bank and pre-paid contracts with variable interest rates expose the Group to interest rate risk. Borrowings and cash at bank obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings, cash at bank and pre-paid contracts.

Consolidated	2018 Weighted average interest rate %	2018 Balance $'000	2017 Weighted average interest rate %	2017 Balance $'000
Cash at bank	1.50%	28,245	0.80%	6,837
Pre-paid contracts	1.80%	45,640	1.40%	35,565
Bank loans	-	-	5.80%	(52,274)
Net exposure to cash flow interest rate risk		73,885		(9,872)

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

An official increase/decrease in interest rates of 50 (2017: 50) basis points would have a favourable/unfavourable effect on profit before tax of $369,000/($369,000) (2017: unfavourable/favourable effect of ($49,000)/$49,000) and favourable/unfavourable effect on equity of $258,000/($258,000) (2017: unfavourable/favourable ($34,000)/$34,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. Credit risk in relation to customers is highly dispersed and without concentration on any particular customer, region or segment. In respect of funeral services, in most cases, the Group collects deposits at the time the service is arranged. Cemetery and memorial products are generally not delivered prior to the receipt of all of the amounts due.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2018, the Group did not have any senior borrowing facilities in place given its material cash reserves following the IPO. Refer to note 35 for details of the senior borrowing facilities entered into subsequent to 30 June 2018.

Note 20. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	2,188	-	-	-	2,188
Other payables	278	-	-	-	278
Contingent consideration	1,443	1,243	-	-	2,686
Interest-bearing - variable					
Hire purchase	148	153	157	-	458
Total non-derivatives	4,057	1,396	157	-	5,610

Consolidated - 2017	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	2,496	-	-	-	2,496
Other payables	42	-	-	-	42
Contingent consideration	1,363	578	478	-	2,419
Interest-bearing - variable					
Bank loans	52,274	-	-	-	52,274
Hire purchase	153	151	261	-	565
Interest-bearing - fixed rate					
Other loans	19,451	-	-	-	19,451
Total non-derivatives	75,779	729	739	-	77,247

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 21. Fair value measurement

Fair value hierarchy
This section outlines the valuation techniques used to measure fair value of financial instruments which maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Note 21. Fair value measurement (continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2018	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Current				
Contingent consideration	-	-	1,425	1,425
Non-current				
Contingent consideration	-	-	1,179	1,179
Total liabilities	-	-	2,604	2,604

Consolidated - 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Current				
Contingent consideration	-	-	1,363	1,363
Non-current				
Contingent consideration	-	-	1,030	1,030
Total liabilities	-	-	2,393	2,393

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Due to the nature of contingent consideration, it has been categorised as Level 3.

Contingent consideration represents the obligation to pay additional amounts to vendors in respect of businesses acquired by the Group. It is measured at the present value of the estimated liability. The fair value of contingent consideration is calculated on the expected future cash outflows. Generally, the contingent consideration is a performance based payment. These are reviewed at the reporting date to provide the expected future cash outflows for each contract. Upon completion of the review the future cash outflows are then discounted to present value using the Group incremental borrowing rate.

Note 21. Fair value measurement (continued)

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Contingent consideration $'000
Balance at 1 July 2016	3,144
Payments made	(1,444)
Additions through business combinations	703
Movement due to changes in discount rate	50
Amounts reversed	(60)
Balance at 30 June 2017	2,393
Payments made	(307)
Additions through business combinations (note 27)	1,444
Movement due to changes in discount rate	50
Foreign exchange difference	(18)
Amounts reversed	(981)
Other	23
Balance at 30 June 2018	2,604

Fair value movements are recognised in the statement of profit or loss. Fair value movements for the period in relation to revaluation of contingent consideration amounted to $50,000 (2017: $50,000) and is recognised as an interest expense.

The fair value of contingent consideration is calculated as the present value of the expected cash flows using a discount rate that reflects the incremental costs of borrowing used to fund the acquisition. A stress test of 50 basis points was conducted and found to have an immaterial impact.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the Company:

	Consolidated 2018 $	Consolidated 2017 $
Audit services - Nexia Sydney		
Audit or review of the financial statements	185,050	112,566
Other services - Nexia Sydney		
Services in relation to the IPO	246,341	21,200
Taxation services	25,885	9,383
Financial statement preparation	-	7,500
	272,226	38,083
	457,276	150,649

Note 23. Contingent liabilities

On 11 September 2017, the Group entered into a management agreement with Propel Investments Pty Limited (ACN 117 536 357) ('Manager') ('Management Agreement'). The commencement date of the Management Agreement was 17 November 2017.

In accordance with the Management Agreement, a performance fee may be payable to the Manager ('Performance Fee'). The calculation is based on, among other things, the total shareholder return (including grossed up dividends) of the Company in a calculation period being greater than the benchmark. The Performance Fee for that calculation period will be 20% of the absolute dollar value that the total shareholder return outperforms the benchmark. As the total shareholder return and outperformance amount for the calculation period cannot be reliably measured as at the date of these financial statements, no provision has been made in these financial statements as at 30 June 2018. Refer to the Remuneration Report for further details.

If a Performance Fee is payable in respect of a calculation period, it will be recognised in the period in which it is triggered.

The directors are not aware of any other contingent liabilities that existed as at the reporting date or on the date of approval of these financial statements (30 June 2017: none).

Note 24. Commitments

	Consolidated	
	2018 $'000	2017 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	603	1,063
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	3,335	904
One to five years	12,139	2,902
More than five years	13,858	2,409
	29,332	6,215
Lease commitments - finance (hire purchase)		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	148	157
One to five years	310	408
Total commitment	458	565
Less: Future finance charges	(48)	(44)
Net commitment recognised as liabilities	410	521
Representing:		
Hire purchase - current (note 16)	126	145
Hire purchase - non-current (note 17)	284	376
	410	521

The Group leases motor vehicles and sundry office equipment under non-cancellable operating leases with terms generally from 1 to 10 years with, in some cases, options to extend. The Group also leases premises/property with terms varying from 1 to 50 years, with in some cases, options to extend. The leases have various escalation clauses.

Note 24. Commitments (continued)

As at 30 June 2018, finance lease commitments include contracted amounts for various motor vehicle and plant and equipment with a written down value of $331,000 (2017: $482,000) under finance leases expiring within 1 to 5 years. Under the terms of the leases, the Group has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

Note 25. Related party transactions

Parent entity
Propel Funeral Partners Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and in the Remuneration Report included in the directors' report.

Transactions with related parties
The Company is a party to the Management Agreement as set out in note 23. The Manager is an entity associated with Albin Kurti and Fraser Henderson (directors of the Company) and Peter Dowding (a former director of the Company).

The initial term of the Management Agreement is 10 years ('Initial Term'). During the Initial Term, the Manager is entitled to be paid by the Company:
- an Administration Fee of $240,000 (plus GST) per annum, escalated by CPI annually; and
- the Performance Fee (refer to note 23).

A management fee (relating to a management agreement previously made between PFP Midco and the Manager) and the Administration Fee (relating to the Management Agreement) of $450,779 (2017: $793,492) was expensed during the financial year.

A one-off, non-cash share-based payment expense of $21,878,000 was recognised in connection with shares held by an entity associated with Albin Kurti, Fraser Henderson and Peter Dowding (refer to note 33).

During the year ended 30 June 2018, $80,000 was paid to the Manager in respect of occupancy costs as approved by the Independent Directors.

Receivable from and payable to related parties
There were no trade receivables from, or trade payables to, related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to, or from, related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 26. Key management personnel disclosures

Key Management Personnel ('KMP') are defined as those having authority and responsibility for planning, directing and controlling the activities of the Group, which includes the directors of Propel. The Board however does not manage day-to-day activities of the Group. The Company considers that the Manager provides the services that would be ordinarily performed by senior executives including managing the day to day operations of the Group. The Manager is paid a quarterly Administration Fee and Performance Fee in return for these services. None of the Manager's officers and employees are paid a salary by the Company.

Other than the non-executive directors, there are no other KMPs paid by the Company.

Note 26. Key management personnel disclosures (continued)

The aggregate compensation in the form of directors' fees that was paid to directors is as follows:

	Consolidated	
	2018 $	2017 $
Short-term employee benefits	150,178	69,672
Post-employment benefits (superannuation)	14,268	6,619
	164,446	76,291

Note 27. Business combinations

Seasons Funerals acquisition
On 22 August 2017, the Group acquired 100% of the issued share capital of Erceg McIntyre Pty Limited (trading as Seasons Funerals) ('Seasons Funerals'), a provider of funeral directing services which currently operates from 9 locations in Western Australia. Consideration of $10,096,000 was paid on settlement and a further amount of $1,444,000 (present value) will be paid if certain financial thresholds are achieved, representing a total consideration of $11,540,000.

Brindley Group acquisition
On 31 January 2018, the Group acquired the business, assets and certain freehold properties from Brindley Group Pty Ltd and its associated entities ('Brindley Group'), a provider of funeral directing services which currently operates from 18 locations in New South Wales and Victoria. Consideration of $15,544,000 was paid on settlement.

Norwood Park acquisition
On 8 April 2018, Norwood Park Pty Limited ('Norwood Park'), a provider of cremation and cemetery services which currently operates from 3 locations in the Australian Capital Territory, Queensland and New South Wales became a wholly owned subsidiary of the Group. Consideration of $13,650,000 was paid on settlement.

Note 27. Business combinations (continued)

Details of the acquisitions are as follows:

	Seasons Funerals Fair value $'000	Brindley Group Fair value $'000	Norwood Park Fair value $'000	Total Fair value $'000
Current assets:				
Contract assets	2,935	3,504	962	7,401
Cash and cash equivalents	280	-	1,082	1,362
Trade and other receivables	76	-	152	228
Inventories	79	401	929	1,409
Other assets	94	41	158	293
Non-current assets:				
Property, plant and equipment	1,353	4,917	7,846	14,116
Deferred tax asset	50	66	53	169
Current liabilities:				
Contract liabilities	(2,935)	(3,504)	(966)	(7,405)
Trade and other payables	(371)	-	(520)	(891)
Provision for income tax	(518)	-	(28)	(546)
Employee benefits	(165)	(220)	(177)	(562)
Borrowings	-	(40)	(1,514)	(1,554)
Other provisions	(191)	-	(159)	(350)
Deferred tax liability	-	(321)	(726)	(1,047)
Net assets acquired	687	4,844	7,092	12,623
Goodwill	10,853	10,700	6,558	28,111
Acquisition-date fair value of the total consideration transferred	11,540	15,544	13,650	40,734
Representing:				
Cash paid or payable to vendor	10,096	15,544	13,650	39,290
Contingent consideration	1,444	-	-	1,444
	11,540	15,544	13,650	40,734
Cash used to acquire businesses, net of cash acquired per statement of cash flows:				
Cash paid to vendors	10,096	15,544	13,650	39,290
Less: cash and cash equivalents	(280)	-	(1,082)	(1,362)
Net cash used	9,816	15,544	12,568	37,928

During the period, the Group acquired an additional property associated with a business combination which occurred in 2017 amounting to $499,000 of which a $50,000 deposit was paid in the year ended 30 June 2017.

Goodwill recognised is attributable to the locations and the profitability of the acquired businesses and will not be deductible for tax purposes. Total acquisition costs expensed to profit or loss was $725,000. The acquisition accounting was final as at 30 June 2018.

Note 27. Business combinations (continued)

	Consolidated 2018 $'000
Payment for purchase of business, net of cash acquired per cash flow statement	
Net cash used for the Brindley Group acquisition	15,544
Net cash used for the Norwood acquisition	12,568
Net cash used for the Seasons Funerals acquisition	9,816
Acquisition costs	725
Purchase of property in connection with an acquisition completed in 2017	449
Contingent consideration payments	307
Davis Group working capital payment	73
Net cash used	39,482

Details of revenues and profit are as follows:	Seasons Funerals $'000	Brindley Group $'000	Norwood Park $'000	Total $'000
Revenue generated from acquisition date to 30 June 2018	8,881	4,363	1,834	15,078
Net profit before tax from acquisition date to 30 June 2018	1,566	456	405	2,427

If all 3 acquisitions occurred on 1 July 2017, the Group's estimated revenue and net loss before tax for the entire financial year would have been $91,446,000 and $7,107,000, respectively.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
PFP Finance Pty Ltd	Australia	100.0	100.0
PFP Midco Pty Ltd	Australia	100.0	100.0
FV (TAS) Pty Ltd	Australia	100.0	100.0
Millingtons Cemetery Services Pty Ltd	Australia	100.0	100.0
Millingtons Funeral Services Pty Ltd	Australia	100.0	100.0
Devonport Funeral Services Pty Ltd	Australia	100.0	100.0
Phillip Stephens Funeral Services Pty Ltd	Australia	100.0	100.0
FV (QLD) Pty Limited	Australia	100.0	100.0
South Burnett Funerals & Crematorium Pty Ltd	Australia	100.0	100.0
Gympie Funeral Services Pty Ltd	Australia	100.0	100.0
Leslie G Ross Funeral Services Pty Ltd	Australia	100.0	100.0
Premier Funeral Group Pty Ltd	Australia	100.0	100.0
Buderim Funeral Benefits Trust Fund	Australia	100.0	100.0
North Coast Funeral Benefits Trust Fund	Australia	100.0	100.0
Integrity Funeral Services Pty Ltd	Australia	100.0	100.0
Integrity Funeral Plan of Australia Trust Fund	Australia	100.0	100.0
FV (NSW) Pty Ltd	Australia	100.0	100.0
Coonamble Funeral Services Pty Ltd	Australia	100.0	100.0
Riverina Funeral Services Pty Ltd	Australia	100.0	100.0
WT Howard Funeral Services Pty Ltd	Australia	100.0	100.0
Tamworth & Gunnedah Funeral Services Pty Ltd	Australia	100.0	100.0
Meadow Funeral Group Pty Ltd	Australia	100.0	100.0
FV (VIC) Pty Ltd	Australia	100.0	100.0

Note 28. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
Quinn Funeral Services Pty Ltd	Australia	100.0	100.0
Hall Funeral Services Pty Ltd	Australia	100.0	100.0
Handley Funerals Pty Ltd	Australia	100.0	100.0
Latrobe Valley Funeral Services Pty Ltd	Australia	100.0	100.0
F.W. Barnes Funeral Services Pty Ltd	Australia	100.0	100.0
Mildura Funeral Services Pty Ltd	Australia	100.0	100.0
FV (SA) Pty Ltd	Australia	100.0	100.0
Eyre Peninsula Funeral Services Pty Ltd	Australia	100.0	100.0
FV (WA) Pty Ltd	Australia	100.0	100.0
PFP (NZ) Limited	New Zealand	100.0	100.0
Far North Funeral Services Limited	New Zealand	100.0	100.0
Far North Memorial Gardens Limited	New Zealand	99.9	99.9
Davis Services Group Limited	New Zealand	100.0	100.0
Davis Funeral Services Limited	New Zealand	100.0	100.0
DFS Properties Whangarei Limited	New Zealand	100.0	100.0
Morris & Morris Limited	New Zealand	100.0	100.0
Hart Funerals Limited	New Zealand	100.0	100.0
Maunu Crematorium Limited	New Zealand	100.0	100.0
DFS Properties Auckland Limited	New Zealand	100.0	100.0
Funerals Made Simple Limited	New Zealand	100.0	100.0
Return To Sender Caskets Limited	New Zealand	100.0	100.0
FPT Pty Ltd	Australia	100.0	100.0
The Australian Funeral Properties Unit Trust	Australia	100.0	100.0
FV (NZ) Ltd	New Zealand	100.0	100.0
FPT (NZ) Pty Ltd	New Zealand	100.0	100.0
The New Zealand Funeral Properties Unit Trust	New Zealand	100.0	100.0
Traction Media Agency Ltd	New Zealand	100.0	-
Erceg McIntyre Pty Limited	Australia	100.0	-
FV (ACT) Pty Ltd	Australia	100.0	-
Norwood Park Pty Limited	Australia	100.0	-
PFP Corporate Services Pty Ltd	Australia	100.0	-
Newhaven Funerals (North Queensland) Pty Ltd	Australia	100.0	-

Note 29. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Propel Funeral Partners Limited
PFP Midco Pty Ltd
PFP Finance Pty Ltd
FV (NSW) Pty Ltd
Meadow Funeral Group Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' reports under ASIC Corporations (wholly-owned Companies) Instrument 2016/785 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Propel Funeral Partners Limited, they also represent the 'Extended Closed Group'.

Note 29. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'. As the deed was executed during the current financial year, comparative information is not applicable.

Statement of profit or loss and other comprehensive income	2018 $'000
Revenue	4,360
Cost of sales and goods	(1,312)
Employee costs	(2,067)
Occupancy and facility expenses	(806)
Advertising expenses	(111)
Motor vehicle expenses	(54)
Management/administration fees	(451)
Other expenses	(87)
	(528)
Share-based payment expense	(21,878)
Acquisition and IPO transaction costs	(2,889)
Dividend / distributions received	15,714
Other income	(1)
Depreciation and amortisation expense	(163)
Interest income	2,250
Interest expense	(1,445)
Net financing charge pre-paid contracts	(65)
Net foreign exchange (losses)/gains	(4)
Loss before income tax expense	(9,009)
Income tax expense	(611)
Loss after income tax expense	(9,620)
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	(9,620)

Equity - accumulated losses	2018 $'000
Accumulated losses at the beginning of the financial year	(1,820)
Loss after income tax expense	(9,620)
Dividends paid	(13,999)
Accumulated losses at the end of the financial year	(25,439)

Note 29. Deed of cross guarantee (continued)

Statement of financial position	2018 $'000
Current assets	
Cash and cash equivalents	20,383
Contract assets	3,418
Trade and other receivables	118,381
Inventories	335
Prepayments	80
	142,597
Non-current assets	
Property, plant and equipment	2,513
Goodwill	10,700
Deferred tax	1,355
Investment in subsidiaries and unit trusts	23,054
	37,622
Total assets	180,219
Current liabilities	
Trade and other payables	734
Borrowings	19
Income tax	1,629
Employee benefits	224
Contract liabilities	3,452
	6,058
Non-current liabilities	
Deferred tax	4
Employee benefits	34
	38
Total liabilities	6,096
Net assets	174,123
Equity	
Issued capital	199,562
Accumulated losses	(25,439)
Total equity	174,123

Note 30. Reconciliation of (loss)/profit after income tax to net cash from operating activities

	Consolidated 2018 $'000	Consolidated 2017 $'000
(Loss)/profit after income tax expense for the year	(14,270)	3,386
Adjustments for:		
Depreciation and amortisation	3,049	1,734
Net loss on disposal of non-current assets	70	23
Foreign exchange differences	68	2
Loss on movement in discount rate of earn-out	73	50
Net financing charge pre-paid contracts	808	1,261
Acquisition and IPO transaction costs	3,505	781
Non-cash income	(1,164)	(60)
Share-based payment expenses	21,878	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(123)	(848)
Decrease/(increase) in inventories	(56)	191
Increase in deferred tax assets	(1,627)	(69)
Increase in prepayments	(12)	(123)
Increase/(decrease) in trade and other payables	(764)	1,036
Increase/(decrease) in provision for income tax	1,256	(591)
Increase in deferred tax liabilities	2,369	20
Increase/(decrease) in employee benefits	112	(225)
Net cash from operating activities	15,172	6,568

Note 31. Non-cash financing activities

Consolidated 2018	Opening balance	Cash flows	Non-cash movement Equity conversion	Additions	Acquisition	Foreign exchange	Closing balance
Hire purchase liabilities	521	(145)	-	34	-	-	410
Bank loans	52,274	(53,787)	-	-	1,513	-	-
Fixed rate notes	19,451	12,089	(31,540)	-	-	-	-

Consolidated 2017	Opening balance	Cash flows	Non-cash movement Equity conversion	Additions	Acquisition	Foreign exchange	Closing balance
Hire purchase liabilities	364	(115)	-	272	-	-	521
Bank loans	24,425	27,849	-	-	-	-	52,274
Fixed rate notes	-	16,180	-	-	3,254	17	19,451

Note 32. Earnings per share

	Consolidated 2018 $'000	Consolidated 2017 $'000
(Loss)/profit after income tax attributable to the shareholders of Propel Funeral Partners Limited	(14,270)	3,386
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	72,381,905	30,432,486
Weighted average number of ordinary shares used in calculating diluted earnings per share	72,381,905	30,432,486
	Cents	**Cents**
Basic earnings per share	(19.71)	11.13
Diluted earnings per share	(19.71)	11.13

Note 33. Share-based payments

Prior to the Restructure, the Company had 14,732,667 ordinary shares on issue (‘Initial Shares’) and did not undertake any trading activities. The Initial Shares are held by an entity associated with Albin Kurti, Fraser Henderson and Peter Dowding and are subject to voluntary escrow arrangements which prevents the entities from disposing of the Initial Shares until the tenth anniversary of the Company’s shares being admitted to the ASX. The Initial Shares may be released early from these escrow obligations to enable, among other things, a takeover offer.

The Initial Shares were required to be fair valued as at the date of the Restructure. A discount of 45% was applied to the issue price of the shares issued in connection with the IPO multiplied by the number of Initial Shares to determine the fair value of $21,878,000. The discount adopted was based on independent advice and was, in the director’s view, considered reasonable, given the escrow arrangements referred to above. This resulted in a one-off, non-cash share-based payment expense of $21,878,000 which was recognised in profit or loss during the financial year.

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2018 $'000
Loss after income tax	(25,013)
Total comprehensive income	(25,013)

Note 34. Parent entity information (continued)

Statement of financial position

	Parent 2018 $'000
Total current assets	19,809
Total assets	181,567
Total current liabilities	2,836
Total liabilities	7,018
Equity	
Issued capital	199,562
Accumulated losses	(25,013)
Total equity	174,549

Comparatives
The parent entity was incorporated on 19 January 2017 and did not trade for the period from incorporation to 30 June 2017. Therefore, no comparatives have been presented.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity is a party to a deed of cross guarantee as disclosed in note 29. It has entered into a tax and GST sharing agreement whereby it guarantees the income tax and GST debts of its subsidiaries. In addition, in the ordinary course of business, the parent entity has also guaranteed the performance of some of its subsidiaries.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 35. Events after the reporting period

On 2 July 2018, the Group completed the acquisition of the business, assets and a freehold property of Newhaven Funerals NQ which operates from 2 locations in North Queensland. Consideration of $3,739,000 was paid on settlement and a further amount of $295,000 (present value) will be paid if certain financial thresholds are achieved, representing total consideration of $4,034,000. Goodwill of $2,012,000 has been estimated and is attributable to the locations and the profitability of the acquired business.

On 27 August 2018, the Group entered into a 3 year, $50,000,000 senior debt facility with Westpac Banking Corporation.

On 28 August 2018, the directors declared a fully franked dividend of 6.4 cents per ordinary share which represented 80% of Distributable Earnings for the circa 7 months period from Completion of the Offer to 30 June 2018. This equates to a total estimated distribution of $6,282,000. Refer to note 19 for further details.

Note 35. Events after the reporting period (continued)

The Group:

- acquired or commenced the process of exercising options over 3 properties, 2 of which are currently tenanted by Propel; and
- exchanged a contract to acquire a parcel of land in Australia which is a potential greenfield expansion opportunity,

for aggregated consideration of approximately $6,261,000.

The Group agreed terms on a new 5 year head office lease with a third party landlord.

Due to the timing of the completion of the Newhaven Funerals NQ acquisition and the date of these financial statements, the disclosures above and below use provisional figures. Business combination accounting for this acquisition will be finalised as part of the reporting for the year ended 30 June 2019.

Details of the acquisition are as follows:

	Fair value $'000
Current assets:	
Contract assets	1,134
Other assets	45
Non-current assets:	
Property, plant and equipment	2,339
Deferred tax asset	3
Current liabilities:	
Contract liabilities	(1,134)
Employee benefits	(12)
Non-current liabilities:	
Deferred tax liability	(353)
Net assets acquired	2,022
Goodwill	2,012
Acquisition-date fair value of the total consideration transferred	4,034
Representing:	
Cash paid or payable to vendor	3,739
Contingent consideration	295
	4,034

Apart from the events disclosed above and the dividend declared as disclosed in note 19, no other matter or circumstance has arisen since 30 June 2018 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.

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 29 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

Brian Scullin
Chairman

Albin Kurti
Managing Director

28 August 2018

Nexia Australia

Independent Auditor's Report to the Members of Propel Funeral Partners Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Propel Funeral Partners Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; 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 (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.

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.

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Key audit matter	How our audit addressed the key audit matter
Impairment testing of goodwill Refer to note 14 The Group has acquired several funeral service, cremation and cemetery businesses in Australia and New Zealand over the past 3 years. Goodwill has been recognised on acquisition and represents a significantly material balance in the statement of financial position. It is a requirement of *AASB136 - Impairment of Assets* that goodwill is tested at least annually for impairment by management. We consider the carrying value of goodwill to be a key audit matter due to ▪ the size of the balance and the significance for user's understanding of the financial statements; ▪ the level of subjectivity involved in determining whether goodwill balances are impaired; ▪ the geographic spread of the Group's activities increasing the risk in determining the Groups CGU's and for Goodwill impairment purposes; and ▪ the complexity of audit procedures required in challenging the assertions put forward by management.	Our procedures included, amongst others: ▪ assessed management's determination of the Group's CGUs based on our understanding of the nature of the Group's business. We also analysed the internal reporting of the Group to assess how results were monitored and reported; ▪ ensure the identification of cash flows attributable to each CGU and the assets supporting those cash flows are consistent, including allocation of corporate assets and cash flows to each of the CGUs; ▪ compared the FY2019 forecasted cash flows used in the impairment model with the FY2019 budget formally approved by the Board; ▪ assessed the assumptions within the 5-year cash flow forecasts for each CGU by understanding the key factors and underlying drivers for growth, including inflation and industry trends, in the context of the Group's future plans; ▪ assessed the discount rate used for each CGU by comparing it to our view of an acceptable range based on market data, comparable companies and industry research; ▪ performed sensitivity analysis (cash flow growth rate, terminal growth rate, discount rate) for each CGU; and ▪ assessed the appropriateness of the disclosures in the financial statements.

Key audit matter	How our audit addressed the key audit matter
Business combinations and acquisition accounting Refer to note 27 The Groups recent acquisitions are required to be accounted for under *AASB 3 - Business Combinations*. There is a risk that the acquisitions of these entities have not been accounted for in accordance with AASB 3, which includes the identification of identifiable intangible assets. As part of the sale deed for business acquisitions, sometimes contingencies are attached to the purchases of these businesses. These contingencies require significant estimation and rely on the existence of future events occurring. We consider the business combinations and accounting for acquisitions as a key audit matter due to ▪ the level of estimation involved in assessing the fair value of assets acquired in a business combination and the reliance on a management's expert in determining this valuation; ▪ the risk that all assets and liabilities on acquisition are not identified and correctly recognised; and ▪ the estimates involved in the calculation of contingent consideration provisions including the probabilities that targets will be achieved.	Our procedures included, amongst others: ▪ obtained information from management supporting the allocation of identifiable intangible assets and goodwill as set out in the Purchase Price Allocation prepared by management; ▪ assessed the treatment of transactions costs; ▪ ensure that deferred tax liabilities arising from the transaction are accurately recognised; ▪ assessed the provision for contingent consideration in line with the terms of the purchase agreements including a consideration of the discount rates used and the presentation of current and non—current liabilities; ▪ assessed the underlying performance of the individual entity and management's assumptions at the balance date to ensure the probability of the contingent consideration targets being met is reasonable; and ▪ assessed the appropriateness of the disclosures in the financial statements.
ASX listing and IPO transaction Refer to note 18 and 33 During the year the Group completed a capital raising via an Initial Public Offering (IPO) with the Australian Securities Exchange (ASX). Several transactions occurred alongside the capital raise including the consolidation of the Group into a new entity and restructure, a pre-IPO dividend transaction, the de-recognition of fixed rate notes, the recognition of share based payments, as well as a capital raising from an IPO transaction.	Our procedures included, amongst others: ▪ tested the restructure steps of the IPO and tested the accounting treatment was in accordance with the applicable accounting standards; ▪ tested the split of transactions costs incurred between those able to be capitalised in relation to the capital raising and those required to be expensed to profit or loss; ▪ recalculated the value of share based payments and assessed the

Key audit matter	How our audit addressed the key audit matter
We considered the ASX listing and IPO transaction to be a key audit matter due to: ▪ the complexity of the transactions for the recognition of the restructure; ▪ the significance of the transactions to the users of the financial statements including the new shareholders following the IPO; and ▪ the risk that matters were not adequately and clearly disclosed in the financial statements for the year.	assumptions used by management to ensure recognised accurately in the financial statements; ▪ inspected the management agreement between Propel Investments Pty Limited and the Group to ensure that charges are in line with that agreement and disclosed; and ▪ assessed the appropriateness of the disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in Propel Funeral Partners Limited's Directors' report for the year ended 30 June 2018, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

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

Auditor's responsibility 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 Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 14 of the directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Propel Funeral Partners Limited for the year ended 30 June 2018, 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.

Nexia

Nexia Sydney Audit Pty Ltd

Joseph Santangelo
Director

Dated: 28 August 2018
Sydney