



V Y S A R N

# **VYSARN LIMITED**

**ABN 41 124 212 175**

## **INTERIM FINANCIAL REPORT for the half-year ended 31 December 2018**

*The information contained in this condensed report is to be read in conjunction with Vysarn Limited's 2018 annual report and announcements to the market made by Vysarn Limited.*

**VYSARN LIMITED**  
ABN 41 124 212 175  
**INTERIM FINANCIAL REPORT 31 DECEMBER 2018**

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**CORPORATE DIRECTORY**

**Directors**

Peter Hutchinson	Chairman
Faldi Ismail	Non-Executive Director
Nicholas Young	Non-Executive Director

**Company Secretary**

Kyla Garic

**Registered office**

108 Outram Street,  
West Perth, WA, 6005  
Ph: +61 8 9486 7244

**Auditor**

Pitcher Partners BA&A Pty Ltd  
Level 11, 12-14 The Esplanade  
Perth, WA, 6000

**Share Registry**

Automic Registry Services  
Level 2, 267 St Georges Terrace  
Perth, WA, 6000

**Bankers**

National Australia Bank  
Level 1, 1238 Hay Street  
West Perth, WA 6005

**Securities Exchange Listing**

ASX Limited  
Level 40, Central Park 152-158 St Georges Terrace  
Perth, WA, 6000

**ASX Code – VYS**

**VYSARN LIMITED**  
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**DIRECTORS' REPORT**

The Directors present their report, together with the financial statements for the half-year ended 31 December 2018.

**Directors**

The names and the particulars of the Directors of Vysarn Limited "the Company" during the half year and to the date of this report are:

<b>Name</b>	<b>Status</b>	<b>Appointed</b>
Peter Hutchinson	Chairman	Appointed 27 October 2017
Faldi Ismail	Non-Executive Director	Appointed 20 December 2016
Nicholas Young	Non-Executive Director	Appointed 20 December 2016

**Review of operations**

During the financial half-year, the principal activities of the Company consisted of the assessment of new opportunities with a view to increasing shareholder value, the reduction of operating costs and the preservation of cash.

**Financial Performance**

The loss for the six months ended 31 December 2018 was \$24,846 (31 December 2017: profit of \$212,295).

Working capital, being current assets less current liabilities, was \$7,383,126 (30 June 2018: \$7,407,972). The Company had negative cash flows from operating activities for the period amounting to \$39,217 (31 December 2017: negative cash flow from operating activities \$194,032).

**Significant changes in the state of affairs**

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

**Significant events after the balance sheet date**

There is no matter or circumstance that has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Rounding of amounts to nearest thousand dollars**

In accordance with *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar.

**Auditor independence**

The auditor's independence declaration is included on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



**Peter Hutchinson**  
**Chairman**

Dated 19 February 2019

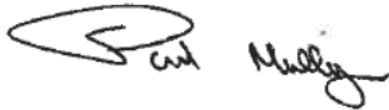
**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF VYSARN LIMITED**

In relation to the independent auditor's review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 19 February 2019

**VYSARN LIMITED**  
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**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

		31 December 2018	31 December 2017
	Note	\$	\$
Revenue		87,341	29,166
Other income	3	-	406,958
Accounting and company secretarial		(26,073)	(47,544)
Administration expenses		(16,669)	(24,680)
Audit expenses		(10,450)	(9,500)
Corporate consulting expense		(25,190)	(19,000)
Employee benefit expense		-	(48,000)
Insurance expenses		(7,772)	(10,952)
Legal fees		(19,871)	(36,947)
Loss on the sale of assets		-	(17,672)
Other expenses		(6,162)	(9,534)
<b>(Loss)/profit before income tax</b>		<b>(24,846)</b>	<b>212,295</b>
Income tax expense		-	-
<b>(Loss)/profit after income tax expense</b>		<b>(24,846)</b>	<b>212,295</b>
<b>(Loss)/profit after income tax expense for the half-year attributable to the owners of Vysarn Limited</b>		<b>(24,846)</b>	<b>212,295</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	(15,366)
Realised gain on sale of available-for-sale financial assets, net of tax		-	(63,538)
<b>Other comprehensive income for the half-year, net of tax</b>		<b>-</b>	<b>(78,904)</b>
<b>Total comprehensive (loss)/income for the half-year attributable to the owners of Vysarn Limited</b>		<b>(24,846)</b>	<b>133,391</b>
<b>Basic and diluted earnings per share for (loss)/profit attributable to the owners of Vysarn Limited</b>		<b>(0.02)</b>	<b>0.16</b>

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

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**CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	Note	31 December 2018 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	7,372,334	7,411,551
Trade and other receivables	5	14,382	18,839
Other assets	6	15,045	9,068
<b>TOTAL CURRENT ASSETS</b>		<b>7,401,761</b>	<b>7,439,458</b>
<b>TOTAL ASSETS</b>		<b>7,401,761</b>	<b>7,439,458</b>
<b>CURRENT LIABILITIES</b>			
Trade Creditors	7	8,155	3,977
Other Payables	7	10,480	27,509
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,635</b>	<b>31,486</b>
<b>TOTAL LIABILITIES</b>		<b>18,635</b>	<b>31,486</b>
<b>NET ASSETS</b>		<b>7,383,126</b>	<b>7,407,972</b>
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	8	29,912,298	29,912,298
Accumulated losses		(22,529,172)	(22,504,326)
<b>SHAREHOLDERS' EQUITY</b>		<b>7,383,126</b>	<b>7,407,972</b>

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

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**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>29,912,298</b>	<b>150,366</b>	<b>(22,800,884)</b>	<b>7,261,780</b>
Profit for the period	-	-	212,295	212,295
Other comprehensive loss	-	(78,904)	-	(78,904)
Total comprehensive loss for the period	-	(78,904)	212,295	133,391
<b>Balance at 31 December 2017</b>	<b>29,912,298</b>	<b>71,462</b>	<b>(22,588,589)</b>	<b>7,395,171</b>
<b>Balance at 1 July 2018</b>	<b>29,912,298</b>	-	<b>(22,504,326)</b>	<b>7,407,972</b>
Loss for the period	-	-	(24,846)	(24,846)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(24,846)	(24,846)
<b>Balance at 31 December 2018</b>	<b>29,912,298</b>	-	<b>(22,529,172)</b>	<b>7,383,126</b>

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

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**CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees (inclusive of GST)	(130,725)	(223,764)
Interest received	91,508	29,732
<b>Net cash used in operating activities</b>	<u>(39,217)</u>	<u>(194,032)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for disposal of asset	-	(15,000)
Proceeds from sale of equity investments	-	142,109
<b>Net cash from investing activities</b>	<u>-</u>	<u>127,109</u>
<b>Net (decrease) in cash and cash equivalents</b>	(39,217)	(66,923)
Cash and cash equivalents at beginning of period	4 7,411,551	6,925,160
<b>Cash and cash equivalents at 31 December</b>	4 <u>7,372,334</u>	<u>6,858,237</u>

The condensed statement of cash flow should be read in conjunction with the accompanying notes.



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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of compliance**

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standard Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial report was issued by the Board of Directors on 19 February 2019 by the Directors of Vysarn Limited "the Company".

This interim financial report does not include the full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this interim financial report is read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Vysarn Limited during and since the end of the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

**b) Basis of preparation**

The condensed interim financial statements have been prepared on an accruals basis and are based on historical costs modified, the comparatives include Alreco Pty Ltd, MHM Corporation USA LLC and Goldstock East Africa Limited (**former subsidiaries**). During the year ended 30 June 2018, the parent disposed of its 100% interest in the subsidiaries, no remaining interest in the entities were held by any member of the consolidated entity subsequent to disposal of the parents 100% interest. Hence, there are no consolidated accounts for the half year interim reporting period ended 31 December 2018. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The Accounting policies adopted in the preparation of this interim financial report are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018, except for the adoption of new standards and interpretation effective as of 1 July 2018 applied retrospectively. The adoption of these Standards and Interpretations has had no material impact.

***New Accounting Standards***

The following Australian Accounting Standards have been issued or amended and are applicable to the half year financial statements of the Company:

AASB No.	Title	Application for annual reporting periods beginning
AASB 9	Financial Instruments	1 January 2018
AASB 15	Revenues from Contracts with Customers	1 January 2018

***AASB 9 'Financial Instruments'***

AASB 9 supersedes pronouncement AASB 139 'Financial Instruments: Recognition and Measurement' and was adopted by the Company effective 1 July 2018. The standard brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment; and hedge accounting. With the exception of hedge accounting, the Company has applied AASB 9 retrospectively, with the initial application date of 1 July 2018, as mentioned above. The Company does not currently apply hedge accounting.

As at the date of initial application, and following assessment by management, the effect of adopting AASB 9 did not have material impact on the transactions and balances recognised in the financial statements.

The Company's accounting policies for financial instruments from 1 July 2018 are as follows:

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**AASB 9 'Financial Instruments'**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial instruments at initial recognition depends on the financial asset's contractual cashflow characteristics and the Company's business model for managing them. With the exception of the Company's trade receivables that do not contain a significant financing component, the Company initially measures the financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities through fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade creditors and other payables.

**AASB 15 'Revenue from Contracts with Customers'**

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 requires the Company to exercise judgement, taking into account all the relevant facts and circumstances when applying each step of the model to contracts with customers. At the initial date of application (1 July 2018), the effect of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements. The Company's accounting policy for revenue and other income from 1 July 2018 is as follows:

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is recognised as interest revenue. There is no change to the accounting policy for interest as set out in the 30 June 2018 financial report.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

**NOTE 2: OPERATING SEGMENTS**

**Segment Information**

**Identification of reportable segments**

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments were previously identified by management based on the nature of activities. The Company's previous operations ceased year ended 30 June 2017. Accordingly, the financial information presented to the chief operating decision makers is consistent with that presented in the statement of profit and loss and other comprehensive income, statement of financial position and statement of cash flows.

**NOTE 3: OTHER INCOME**

	31 December 2018	31 December 2017
	\$	\$
R&D tax incentive refunds	-	406,958
	-	406,958

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

**NOTE 4: CURRENT ASSETS – CASH AND CASH EQUIVALENTS**

	31 December 2018	30 June 2018
	\$	\$
Cash at bank	7,372,334	7,411,551
	<u>7,372,334</u>	<u>7,411,551</u>

**NOTE 5: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES**

	31 December 2018	30 June 2018
	\$	\$
GST receivable	-	291
Interest receivable	14,382	18,548
	<u>14,382</u>	<u>18,839</u>

**NOTE 6: CURRENT ASSETS – OTHER ASSETS**

	31 December 2018	30 June 2018
	\$	\$
Prepayment	15,045	9,068
	<u>15,045</u>	<u>9,068</u>

**NOTE 7: CURRENT LIABILITIES – TRADE AND OTHER PAYABLES**

	31 December 2018	30 June 2018
	\$	\$
Trade payables	8,155	3,977
Other payables	10,480	27,509
	<u>18,635</u>	<u>31,486</u>

**NOTE 8: ISSUED CAPITAL**

	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	Number	Number	\$	\$
Ordinary shares - fully paid	136,228,616	136,228,616	29,912,298	29,912,298
	<u>136,228,616</u>	<u>136,228,616</u>	<u>29,912,298</u>	<u>29,912,298</u>

There are no movement in the issued capital of the Company for the half year period ending 31 December 2018 and previous financial year.

*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.

**NOTE 9: CONTINGENT LIABILITIES AND COMMITMENTS**

There are no other contingent liabilities as at 31 December 2018 (30 June 2018: Nil).

**NOTE 10: FAIR VALUES**

The fair value of financial assets and financial liabilities of the Company approximated their carrying amount.

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

**NOTE 11: RELATED PARTY TRANSACTIONS**

Purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company acquired the following services from an entity associated with Mr Nicolas Young:

	2018	2017
	\$	\$
Payment for goods and services:		
Payment for services to Onyx Corporate Pty Ltd	19,250	-

Onyx Corporate Pty Ltd, an entity associated with Mr. Nicholas Young, received payment of \$19,250 in relation to accounting and company secretarial services provided to the Company for the 6-month period. The amount payable to Onyx Corporate Ltd at 31 December 2018 is \$3,850 (2017: Nil).

**NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE**

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

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**DIRECTORS' DECLARATION**

In the opinion of the Directors of Vysarn Limited

1. The financial statements and notes, as set out on pages 4-11 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.
2. There are reasonable ground to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



**Peter Hutchinson**

**Chairman**

Dated 19 February 2019

**VYSARN LIMITED**  
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**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF VYSARN LIMITED**

We have reviewed the accompanying half-year financial report of Vysarn Limited "the Company", which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

*Independence*

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

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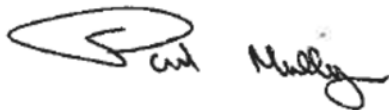
**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF VYSARN LIMITED**

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 19 February 2019