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19 October 2018

Mr Daniel Nicholson
ASX Compliance - Perth
Level 40 Central Park 152-158 St George's Terrace
PERTH WA 6000
(daniel.nicholson@asx.com.au)

Matter No:
18EFILE.FID00796
BY EMAIL

Copy to tradinghaltspert@asx.com.au

Dear Daniel

**Response to ASX query
PLC Financial Solutions Limited (ASX: PLC)**

We refer to your further letter dated 12 October 2018.

On behalf of the Company, we respond to your follow up questions as follows:

- 1 Given the Company has now collated the further evidence to support the expenditure referred to in Question 2 of the 5 October Query Letter (relating to the \$540,000 in corporate advisory, promotional, marketing and other professional services), does the Company intend to seek a revised audit opinion from its auditors? If so, when does the Company expect the revised opinion to be released?**

On 9 October 2018, a notice of request to convene a meeting to consider a resolution to remove the current auditor was served on the Company pursuant to s.329(1A) of the Corporations Act.

The Company has provided a copy of this notice to the current auditor and to ASIC pursuant to s.329(2) of the Corporations Act.

Notwithstanding the notice of request, all further evidence relating to the \$540,000 in expenses has been provided by the Company to the current auditor. The current auditor has acknowledged that while they are open to auditing the further evidence, it could be a time consuming and complicated process with no guarantees that their audit opinion may even change.

Having regard to these views, the limited time between now and the Company's AGM and the opinion expressed in the paragraph immediately below, the Directors have determined not to seek a revised audit opinion and to attend to the disclaimed matters as part of the 2018/19 half year audit.

The Directors reaffirm their opinion that irrespective of the audit disclaimer, the 2018 accounts as presented:

- (a) comply with all relevant accounting standards; and
- (b) provide a true and fair view of the financial performance and financial position of the Company for the 2018 financial year.

2 If, the answer to question 1 is 'no', please explain why?

See answer to 1 above.

3 Has the Company now collated the supporting evidence for the leasehold additions referred to in Question 3 of the 5 October Query Letter?

Yes.

(a) If the answer to question 3 is 'no', please explain why?

Not applicable.

(b) If the answer to question 3 is 'yes', does the Company intend to seek a revised audit opinion from its auditors?

See answer to 1 above which similarly applies in relation to matter of the leasehold addition expenses.

4 Did the Company disclose in the related party transaction sections of the annual report the payments totalling \$64,000 made to North East as a related party transaction?

No, as the payments were not a related party transaction. See 5 below.

5 If the answer to question 4 is 'no' please explain why given that Chun Fong Leung appears to be a director of both the Company and North East (the ASX understands payments totalling \$64,000 were made to).

North East received a total of 8,400,000 shares in lieu of payment of consulting fees totalling \$64,000. The two separate share issues, being for 4,400,000 and 4,000,000 shares, were reported in the Company Appendix 3Bs issued on 27 October 2017 and 28 March 2018 respectively.

Ms Leung was appointed a director on 15 June 2018.

Accordingly, the payments are not 'related party transactions' and did not require disclosure in the annual report.

The Company notes that the auditor's confirmed that the remuneration report complies with section 300A of the Corporations Act.

6 Did the Company disclose in Parts 6 or 7 of its Appendix 4Cs during the period 1 July 2017 to 30 June 2018 the \$64,000 of payments made to North East during the year ended 30 June 2018?

No.

7 If the answer to question 6 is 'no', please explain why these payments weren't disclosed?

Refer to response in query 5 above.

8 Did the Company request 10SixCo to provide a Form 603 (released to ASX on 13 September 2018) which identifies the signing director on the form 603 as required? If the answer to this question is 'no', please explain why?

Yes.

- 9 Does the Company know the identity of the signing director referred to in question 8? If the answer to the question is 'yes', please also provide the name of the signing director.**

Yes, Mr Paul Scanlon.

- 10 Commenting specifically on the responses to questions 5 to 7 in the Response:**

- (a) Does the Company employ a CFO or CEO?**

No, the Company does not employ a CEO or CFO.

However, Mr Harry Fung is an Executive Director of the Company and has taken on responsibility for performing certain executive functions on behalf of the Board.

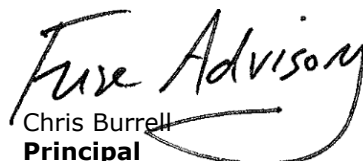
- (b) Given the Response mentions that it has engaged an independent accounting firm, did that accounting firm provide the declaration that the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively?**

Yes, the Company did receive a declaration from the independent accounting firm.

Permission is granted to the ASX to release this letter to the market if so determined.

Please feel free to contact the writer if you have any further queries.

Yours faithfully


Chris Burrell
Principal

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12 October 2018

Ms Eryn Kestel
Company Secretary
PLC Financial Solutions Limited
By email: eryn@kestelcorp8.com.au

Dear Ms Kestel

PLC Financial Solutions Limited (the “Company”) – Financial Condition Query

ASX Limited (“ASX”) refer to the following:

- A. ASX’s letter dated 5 October 2018 (“5 October Query Letter”);
- B. the letter from Fuse Advisory sent to ASX on behalf of the Company in reply to the 5 October Query Letter and released to the market on 12 October 2018 (“Response”);
- C. the 5 October Query Letter sets out the necessary background to this letter and terms defined in the 5 October Query Letter are also adopted for the purpose of this letter;
- D. the substantial holder Form 603 dated 16 June 2018 regarding North East Development Group Pty Ltd (“North East”) and released to the market on 18 June 2018; and
- E. the substantial holder Form 603 dated 7 September 2018 regarding 10SixCo Pty Ltd (“10SixCo”) and released to the market on 13 September 2018.

Questions for response

In light of the Auditor’s Report, the Disclaimer, the information contained in the Financial Report, Corporate Governance Disclosure, the Appendix 4C Disclosure, the application of Listing Rules 12.1, 12.2 and 19.11A, the Response and the substantial holder Form 603s for North East and 10SixCo, please respond to each of the following questions:

- 1. Given the Company has now collated the further evidence to support the expenditure referred to in Question 2 of the 5 October Query Letter (relating to the \$540,000 in corporate advisory, promotional, marketing and other professional services), does the Company intend to seek a revised audit opinion from its auditor? If so, when does the Company expect the revised opinion to be released?
- 2. If the answer to question 1 is ‘no’, please explain why.
- 3. Has the Company now collated the supporting evidence for the leasehold additions referred to in Question 3 of the 5 October Query Letter?
 - (a) If the answer to question 3 is ‘no’, please explain why?
 - (b) If the answer to question 3 is ‘yes’, does the Company intend to seek a revised audit opinion from its auditor?

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4. Did the Company disclose in the related party transactions section of the annual report the payments totalling \$64,000 made to North East as a related party transaction?
 5. If the answer to question 4 is 'no', please explain why given that Chun Fong Leung appears to be a director of both the Company and North East (the company ASX understands payments totalling \$64,000 were made to).
 6. Did the Company disclose in parts 6 or 7 of its Appendix 4Cs during the period 1 July 2017 to 30 June 2018 the \$64,000 of payments made to North East during the year ended 30 June 2018?
 7. If the answer to question 6 is 'no', please explain why these payments weren't disclosed?
 8. Did the Company request 10SixCo to provide a Form 603 (released to ASX on 13 September 2018) which identifies the signing director on the Form 603 as required? If the answer this question is 'no', please explain why.
 9. Does the Company know the identity of the signing director referred to in question 8? If the answer this question is 'yes', please also provide the name of the signing director.
 10. Commenting specifically on the responses to questions 5 to 7 in the Response:
 - (a) Does the Company employ a CFO or CEO?
 - (b) Given that the Response mentions that it has engaged an independent accounting firm, did that accounting firm provide the declaration that the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively?

Please note ASX reserves its right under listing rule 18.7A to release this letter and the Company's response to the market. Accordingly, the Company's response should address each question separately and be in a format suitable for release to the market.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event by 7:00am WST, Friday 19 October 2018.

Any response should be sent to tradinghaltspert@asx.com.au. It should not be sent to the ASX Market Announcements Office.

If you have any queries regarding any of the above, please let me know.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)

CC: Mr Chris Burrell, Fuse Advisory