

BIR Financial Limited

ABN 14 074 009 091

Half-Year Financial Report

For the half year ended

31 December 2018

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CORPORATE DIRECTORY

BIR FINANCIAL LIMITED

ABN 14 074 009 091

Directors

Tal Silberman	Non-Executive Chairman
Gregory Starr	Non-Executive Director
Greg Smith	Non-Executive Director
Steven Nicols	Non- Executive Director

Company Secretary

Gregory Starr

Registered Office

Security Transfer Australia Pty Ltd
'Exchange Tower' Suite 913
530 Little Collins Street
Melbourne VIC 3000

Tel: 1300 992 916

Website: www.birfinancial.com.au

Principal Place of Business

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1 Farrer Place
Sydney, NSW, 2000

Ph: (02) 9299 2289

Postal Address

BIR Financial Limited
Suite 4, Level 24 Governor Phillip Tower
1 Farrer Place
Sydney, NSW, 2000

Share Register

Security Transfer Australia Pty Ltd
770 Canning Highway,
Applecross WA 6153

Phone Number: 1300 992 916

From Overseas: +61 3 9628 2200

Fax: (08) 9315 2233

Email: registrar@securitytransfer.com.au

Auditors

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Securities Exchange Listing

Australian Securities Exchange
(Home Branch – Perth)
ASX Code: BIR

APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

	Half-year Ended 31-Dec-18	Half-year Ended 31-Dec-17	% Change
	\$	\$	
Revenue from ordinary activities	394,961	-	100%
Profit / (Loss) after tax from ordinary activities attributable to members	(1,392,970)	(99,000)	1307%
Net profit / Loss attributable to members	(1,392,970)	(99,000)	1307%

Dividends Paid and Proposed

	Amount per Security	Franked Amount per Security at 30% of Tax
	(cents)	(cents)
There were no dividends paid. It is not proposed to pay dividends.	NIL	NIL

Explanation of Key Information and Dividends

An explanation of the above figures is contained in the “Review of Operations” included within the attached directors’ report.

Net Tangible Assets per Share

	Half-year Ended 31-Dec-18 \$/Share	Half-year Ended 31-Dec-17 \$/Share
Net tangible assets per share	0.028	0.001

Control Gained or Lost over Entities in the Half-year

No control was gained or lost over entities in the half - year

Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans in operation.

Investments in Associates and Joint Ventures

	Half-year Ended 31-Dec-18	Half-year Ended 31-Dec-17
Material investments in associates and joint ventures	NIL	NIL

DIRECTORS' REPORT

Your directors submit the financial report of BIR Financial Limited (Company) for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

Directors

The names of directors who held office during or since the end of the Interim Period and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Tal Silberman	Non-Executive Chairman
Gregory Starr	Non-Executive Director
Greg Smith	Non-Executive Director
Steven Nicols	Non- Executive Director

Review of operations

During the Period BIR Financial Limited ("BIR" or "the Company") progressed the recent acquisition (28 June 2018) of 100% of the issued capital of Pulse Markets Pty Ltd ("Pulse Markets"). The acquisition was for a consideration of 15,789,474 fully paid ordinary shares in BIR (Acquisition). During the Period BIR recommenced re-quotation on the Australian Securities Exchange (ASX) after satisfying the ASX of the re-listing requirements including under Chapter 1, 2 and 11 of the Listing Rules.

Pulse Markets is a diversified financial services business which provides a range of financial services to retail, institutional, corporate and private clients. These services include transacting equities and derivatives on the ASX and raising equity capital. These are provided by a team of experienced industry professionals.

Pulse Markets' core strategy is to offer innovative financial products and investment manager capability to the financial planning market.

Pulse Markets maintains its advantage in the rapidly evolving financial services industry through its independence and leadership which is focussed on strong compliance ethics while monitoring and adapting to new market opportunities which will meet clients' needs.

In order to comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules for admission to the Official List, the Company undertook an underwritten capital raising by way of a general public offer under a prospectus to raise AU\$5,000,000 through the issue of 25 million shares at AU\$0.20 per share. A prospectus was lodged with ASIC in respect of the Proposed Capital Raising.

Following shareholder approval, the Company also changed its name from Birrabong Corporation Limited to BIR Financial Limited and consolidated the Company's issued shares at a ratio of 3.8 to one.

In line with the prospectus associated with the acquisition of Pulse Markets Pty Ltd, key expenditure during the reporting period related to the acquisition costs of Pulse Markets and the ongoing development of Pulse equity capital markets, managed discretionary accounts and brokerage activities.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the interim period.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Tal Silberman



Chairman

Dated this 28th day of February 2019

BIR FINANCIAL LIMITED
ABN 14 074 009 091

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BIR FINANCIAL LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner
Dated: 28 February 2019

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Notes	Consolidated	
		31-Dec-18	31-Dec-17
		\$	\$
Revenue	2	428,991	-
Operating Expenses		(80,759)	-
Salaries and employee benefits expense		(671,106)	-
Depreciation		(5,767)	-
Corporate and administration costs		(1,014,227)	(99,000)
Loss on sale of Property Plant and equipment		(70,338)	-
Realised Gain on Investments		145,964	-
Unrealised Loss on Investments		(125,728)	-
Profit / (loss) before income tax expense		(1,392,970)	(99,000)
Income tax expense		-	-
Net profit / (loss) for the period		(1,392,970)	(99,000)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(1,392,970)	(99,000)
Basic earnings/(loss) per share (cents per share)		(0.02)	(0.07)
Diluted earnings / (loss) per share (cents per share)		(0.02)	(0.07)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	Consolidated	
		31-Dec-18	30-Jun-18
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	5	2,525,525	5,006,971
Receivables	6	91,706	304,149
Other Assets	7	348,768	219,292
Indemnified deferred tax liability	14	80,988	80,988
Financial assets	8	45,520	157,727
Total Current Assets		3,092,507	5,769,127
Non-Current Assets			
Indemnified acquisition cost		270,000	270,000
Plant and equipment	9	35,823	94,298
Intangible Assets	10	3,426,636	3,326,921
Total Non-Current Assets		3,732,459	3,691,219
Total Assets		6,824,966	9,460,346
Liabilities			
Current Liabilities			
Trade and other payables	11	687,121	2,008,680
Borrowings	12	35,011	280,577
Provision for settlement claims	13	334,250	234,535
Total Current Liabilities		1,056,382	2,523,792
Non Current Liabilities			
Deferred Income tax Liability		80,988	80,988
Total Non Current Liabilities		80,988	80,988
Total Liabilities		1,137,370	2,604,780
Net Assets/ (Liabilities)		5,687,596	6,855,566
Equity			
Issued capital	15	27,888,293	27,663,293
Accumulated losses		(22,200,697)	(20,807,727)
Total Equity/ (Deficiency)		5,687,596	6,855,566

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Consolidated		
	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Consolidated			
Balance at 1 July 2017	20,151,333	(20,205,355)	(54,022)
Net loss for period	-	(99,000)	(99,000)
Balance at 31 December 2017	20,151,333	(20,304,355)	(153,022)
Consolidated			
Balance at 1 July 2018	27,663,293	(20,807,727)	6,855,566
Net loss for period	-	(1,392,970)	(1,392,970)
Shares Issued	225,000	-	225,000
Balance at 31 December 2018	27,888,293	(22,200,697)	5,687,596

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Consolidated	
	31-Dec-18	31-Dec-17
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(2,464,478)	(99,000)
Other revenue received	34,030	-
Net cash (used in) operating activities	(2,430,448)	(99,000)
Cash flows from investing activities		
Acquisition of Investments	(12,800)	-
Purchase of Plant and equipment	(21,212)	-
Proceeds from Sale of Plant and Equipment	3,581	-
Net cash provided by (used in) investing activities	(30,431)	-
Cash flows from financing activities		
(Repayment of) / proceeds from borrowings	(245,567)	98,950
Issue of shares	225,000	-
Net cash provided by financing activities	(20,567)	98,950
Net (decrease) in cash held and cash equivalents	(2,481,446)	(50)
Cash and cash equivalents at the beginning of the period	5,006,971	1,000
Cash and cash equivalents at the end of the period	2,525,525	950

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These 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 Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include 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 financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

These Interim Financial Statements were authorised for issue on 28 February 2019.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and with the International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2017.

Adoption of new and revised Accounting Standards

The consolidated entity 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.

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

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018 on a modified retrospective basis. The standard introduced 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 that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are 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 or contingent consideration recognised in a business combination) in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, 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 use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using 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. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018 on a modified retrospective approach. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a deferred maintenance revenue, work in progress, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2018 and are not expected to have any significant impact for the full financial year ending 30 June 2019.

Going Concern

On 28 June 2018, the company has acquired a cash generating company Pulse Markets Pty Ltd following an equity raise of \$5,000,000. Its shares were re-quoted on the ASX during the half year.

During the half year the company incurred a net loss of \$1,392,970 and had a net cash outflow of \$2,481,446. A significant portion of the difference between the net loss and cash outflow related to payment of expenditure related to costs incurred in the acquisition of Pulse, fund raising and re-quotations of the company.

During the half year the directors have put measures in place that are expected to result in a positive cashflow for the company in the near term.

The Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due and as a consequence of this belief, the Directors believe that the Company remains a going concern at the date of this Report.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of BIR Financial Limited.

NOTE 2: REVENUE AND EXPENSES

Revenue

Operating revenue
Rental Income
Interest received

	Consolidated	
	31-Dec-18	31-Dec-17
	\$	\$
Operating revenue	394,961	-
Rental Income	33,000	-
Interest received	1,030	-
	<u>428,991</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 3: INCOME TAX

Income Tax Expense

The income tax expense for the year differs from the prima facie tax as follows:

	Consolidated 31-Dec-18 \$	Company 31-Dec-17 \$
Profit (Loss) for year	(1,392,970)	(99,000)
Prima facie income tax (benefit) @ 30%	417,891	29,700
Deferred tax assets not brought to account ⁺⁺	(417,891)	(29,700)
Total income tax expense	-	-

The effect of the Acquisition of Pulse Markets as 28 June 2018 is that the nature and scale of the activities of the Company has changed from a property and infrastructure company to a business involved in the financial services industry.

⁺ - These amounts have not been brought to account as it is not considered probable that the Company will earn taxable income in the foreseeable future to allow the deferred tax assets to be utilised.

[#] - The Company has not yet carried out an assessment as to whether it is able to utilise current year and prior years' tax losses against future taxable income following the significant changes in the Company's shareholding and the changes to the Company's operations. If the Company does not satisfy the eligibility criteria relating to the continuation of ownership test and the same business test for carrying forward these tax losses, it will not be able to utilise some or all of these tax losses against future taxable income.

NOTE 4: EARNINGS/(LOSS) PER SHARE

	Consolidated 31-Dec-18 \$	31-Dec-17 \$
Basic earnings/(loss) per share (cents per share)	(0.02)	(0.07)
Diluted earnings/(loss) per share (cents per share)	(0.02)	(0.07)
Earnings – Net profit/(loss) for half year	(1,392,970)	(99,000)
Weighted average number of ordinary shares used in the calculation of:		
Basic earnings per share	80,075,098	149,000,000
Diluted earnings per share	80,075,098	149,000,000

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated 31-Dec-18 \$	30-Jun-18 \$
Cash at bank	2,525,525	5,006,971
Cash at bank earns interest at a floating rate based on daily bank deposit rates.		

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated 31-Dec-18 \$	30-Jun-18 \$
Sundry debtors ⁽¹⁾	91,706	304,149

¹ Includes sundry debtors and receivables amounting to \$39,400 which are past due but not impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 7: OTHER ASSETS

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Prepaid Insurance	40,249	5,442
Security deposits - rental and other	308,519	213,850
	<u>348,768</u>	<u>219,292</u>

NOTE 8: FINANCIAL ASSETS

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Options in Listed Companies ⁽¹⁾	32,720	157,727
Shares in Listed Companies	12,800	-
	<u>45,520</u>	<u>157,727</u>

¹ The fair value of the unlisted Options in Listed Company has been estimated using valuation techniques taking into account the terms and conditions of the options. Management believes the estimated fair values resulting from the valuation techniques and recorded in the statement of financial position and the related changes in fair values recorded in profit or loss are reasonable and the most appropriate at the balance date.

The financial assets are measured at fair value at the end of the reporting period based on Level 2 inputs in the fair value hierarchy. The fair value of the options are determined using a Black Scholes pricing method.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Period ended 31 December 2018 - movement		
At 1 July 2018, net of accumulated depreciation	94,298	-
Cost on Acquisition of Pulse Markets 21 June 2018	-	94,298
Acquisitions	21,212	-
Disposals net of accumulated depreciation	(73,920)	-
Depreciation charge for the year	(5,767)	-
At 31 Dec 2018, net of accumulated depreciation	<u>35,823</u>	<u>94,298</u>

NOTE 10: INTANGIBLE ASSETS

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Acquisition of 100% of the issued capital of Pulse Markets Pty Ltd		
Excess consideration paid over net liabilities acquired	<u>3,426,636</u>	<u>3,326,921</u>
Consideration of 15,789,474 fully paid ordinary shares for the acquisition of 100% of Pulse Markets Pty Ltd	3,157,895	3,157,895
Add Net Liabilities of Pulse:		
Current (Assets)	(938,553)	(938,553)
Non Current (Assets)	(94,298)	(94,298)
Current Liabilities	1,223,660	1,123,945
Non Current Liabilities	80,987	80,987
Net Liabilities	<u>271,796</u>	<u>172,081</u>
Less excess indemnified acquisition costs to Pulse claimed acquisition expenses from BIR	(3,055)	(3,055)
Total	<u>3,426,636</u>	<u>3,326,921</u>

The acquisition of Pulse Markets Pty Ltd has been accounted for in accordance with AASB3 Business Combinations. In adopting this standard, the consolidated entity has recorded a \$99,715 measurement period adjustment in relation to the

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

provision for an estimate of claims against the company which was an authorised representative of Pulse's Australian financial Services Licence for activities which occurred in 2014.

NOTE 11: TRADE AND OTHER PAYABLES

Current

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Trade payables and accruals	687,121	2,008,680

Trade Payables and accruals include amounts owing to related parties as follows:

	31-Dec-18
	\$
T Silberman	15,015
G Smith	45,045
S Nicols	15,015
G Starr (via Tearum Advisors Pty Ltd)	41,360
	116,435

NOTE 12: BORROWINGS

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Unsecured Loan	35,011	-
Unsecured loans – Related Parties	-	280,577
	35,011	280,577

The Company entered into a loan facility arrangement with Roths Holdings Australia Pty Ltd (not a related party) and Silberman Holdings Pty Limited (a company related to the Chairman Tal Silberman) on 29 September 2017 ("companies"). Key terms of the Loan facility are as follows:

Interest - Interest shall be at a rate agreed between the parties from time to time (currently 8%).

Repayment of loan and interest - The loan facility has a fixed term of nine years. The borrowers will repay the outstanding amount of the loan by the end of the term. There is no penalty on repayment prior to the end of the facility terms.

Capitalising interest - The companies may capitalise any interest that has become due but remains unpaid. That interest is then treated as having been added to the amount of the loan as from the date it became due.

Companies may require security - The companies may at any time require the borrower to provide reasonable security for the performance of that borrower's obligations under this agreement.

During the reporting period the loan was repaid.

NOTE 13: PROVISIONS

	Consolidated	
	31-Dec-18	30-Jun-18
	2018	2017
	\$	\$
Provision for Settlement Claims	334,250	234,535

The provision relates to an estimate of claims against a company which was an authorised representative of Pulses' Australian Financial Services Licence for activities which occurred in 2014. The claims are being defended by Pulse.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 14: INDEMNIFIED DEFERRED INCOME TAX LIABILITY

	Consolidated	
	31-Dec-18	30-Jun-18
	2018	2017
	\$	\$
Indemnified deferred Income Tax Liability	80,988	80,988

This amount represents an indemnity provided by the vendor of Pulse Markets Pty Ltd in favour of the Company from potential income tax liability.

NOTE 15: ISSUED CAPITAL AND RESERVES

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Issued and paid up capital		
Ordinary shares fully paid	27,888,293	27,663,293

(a) Movement in ordinary shares on issue	31-Dec-18		30-Jun-18	
	Number	\$	Number	\$
Balance at beginning of year	80,000,370	27,663,293	149,000,000	20,151,333
1 for 3.8 Consolidation 21 June	-	-	(109,789,104)	-
Issue of new shares 21 June 2018 under general Offer	-	-	25,000,000	5,000,000
Issue of new shares 21 June 2018 to acquire Pulse Markets Pty Ltd	-	-	15,789,474	3,157,895
Share issue costs	-	-	-	(645,935)
Issue of new shares 21 December 2018	1,250,000	225,000	-	-
Balance at end of year	81,250,370	27,888,293	80,000,370	27,663,293

(b) Share Options

At the end of the year there were no options over unissued ordinary shares outstanding.

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTE 16: PARENT ENTITY INFORMATION

	Parent	
	31-Dec-18	30-Jun-18
	\$	\$
Current assets	2,942,815	5,097,518
Total assets	6,967,655	8,522,358
Current liabilities	(508,093)	(1,666,792)
Total liabilities	(508,093)	(1,666,792)
Net assets	6,459,562	6,855,566
Issued capital	27,888,293	27,663,293
Accumulated losses	(21,428,731)	(20,807,727)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 16: PARENT ENTITY INFORMATION

	Parent	
	31-Dec-18	30-Jun-18
	\$	\$
Total equity	6,459,562	6,855,566
Loss of the parent entity after tax	(621,004)	(602,372)
Other comprehensive income, net of tax	-	-
Total comprehensive income/(loss) of the parent entity	(621,004)	(602,372)

(a) Parent entity

The ultimate parent entity within the Group is BIR Financial Limited.

(b) Subsidiary

Pulse Markets Pty Ltd is a wholly owned subsidiary of the Company.

Pulse Markets, as the Company's subsidiary will continue its business operations.

Pulse Markets has a wholly owned subsidiary Selecta Funds Management Pty Ltd (ACN 100 257 869) (Selecta Funds Management). This entity is not an operating entity but is a special purpose entity established to specifically own options or performance rights which may be acquired in companies as part of the consideration for Pulse Markets providing ECM services (including corporate advisory services). Currently, Selecta Funds Management's sole asset is a certain number of escrowed options in Sheffield Resources Limited, which were acquired as part of the terms of a corporate advisory / ECM mandate related to this company. Selecta Funds Management will remain as a wholly owned subsidiary of Pulse Markets (with the Company being the ultimate parent company).

Name of Controlled Entity	Class of Share	Place of Incorporation	% Held by Parent Entity	
			31-Dec-18	30-Jun-18
Pulse Markets Pty Ltd	Ordinary	Australia	100%	100%
Selecta Funds Management Pty Ltd	Ordinary	Australia	0%*	0%

* 100% owned by Pulse Markets Pty Ltd

NOTE 17: FINANCIAL REPORTING BY SEGMENTS

The Board of Directors for BIR Financial Limited reviews internal reports prepared and strategic decisions of the Company are determined upon analysis of these internal reports. During the Reporting Period, the Company operated predominantly in one business and geographical segment. Accordingly, under the 'management approach' outlined, one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 18: EVENTS AFTER THE END OF THE INTERIM PERIOD

The directors are not aware of any significant events since the end of the interim period.

NOTE 19: FAIR VALUE MEASUREMENT

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.

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value

The net fair value of financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

DIRECTORS' DECLARATION

In the opinion of the Directors of BIR Financial Limited ("the Company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b) 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 then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Tal Silberman', is written over a horizontal line.

Tal Silberman

Chairman

Dated this 28 February 2019

**BIR FINANCIAL LIMITED
ABN 14 074 009 091
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
BIR FINANCIAL LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Interim Financial Report

We have reviewed the accompanying half year financial report of BIR Financial Limited, which comprises the consolidated statement of financial position as at 31 December 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 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 Interim Financial Report

The directors of BIR Financial Limited are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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 BIR Financial Limited's financial position as at 31 December 2018 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of BIR Financial Limited, 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 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.

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 **PrimeGlobal**

BIR FINANCIAL LIMITED

ABN 14 074 009 091

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
BIR FINANCIAL 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 BIR Financial Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of BIR Financial Limited's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner

Dated: 28 February 2019