VPCL LIMITED – HALF-YEAR REPORT

APPENDIX 4D

Name of entity

VPCL LIMITED

ABN

65 149 197 651

Half-year ended (“Current Period)	**Half-year ended (Previous Corresponding Period)**
31 December 2019	31 December 2018

Results for announcement to the market

	Up/Down	**Percentage**	**Balance $**
Revenue from ordinary activities	Restated due to prior period error	N/A	-
Profit / (loss) from ordinary activities after tax attributable to members	Restated due to prior period error	N/A	(410,453)
Net profit / (loss) attributable to members	Restated due to prior period error	N/A	(410,453)

Details of individual and total dividends or distributions and dividend or distribution payments

None

Details of any dividend or distribution reinvestment plans in operation

None

Net tangible assets per security

31 December 2019	**31 December 2018**
0.45 cents per share	0.42 cents per share

VPCL LIMITED – HALF-YEAR REPORT

APPENDIX 4D

Details of entities over which control has been gained or lost during the period:

Name of	Date of gain or loss of control	Profit / (loss) after tax of the controlled entities since the date in the current period	Profit / (loss) after tax of the controlled entities during the whole of the previous corresponding period
Not applicable	Not applicable	Not applicable	Not applicable

Details of associates and joint venture entities

Not applicable

Foreign entities

Not applicable

Compliance statement

The attached financial report has been prepared in accordance with the Australia Accounting Standards issued by the Australian Accounting Standards Board and are based on accounts that have been reviewed. An unqualified review conclusion was issued. Refer to independent review report on page 4 of the attached Interim Financial Report for the half-year ended 31 December 2019.

Signed in accordance with a resolution of the directors.

On behalf of the Directors:

Leanne Graham

Executive Chair

VPCL Limited

ABN 65 149 197 651

Interim Financial Report
For the half-year ended 31 December 2019

Directors	Leanne Graham Justin Klintberg Christopher Mews
Company secretary	Christopher Mews
Registered office	Unit 36/38 Manchester Lane Melbourne VIC 3000
Principal place of business	Unit 36/38 Manchester Lane Melbourne VIC 3000
Share register	Link Market Services Central Park Level 4 152 St Georges Terrace Perth WA 6000 Telephone: 08 6160 4455
Auditor	BDO East Coast Partnership Collins Square | Tower Four Level 18, 727 Collins Street Melbourne Victoria 3008s
Bankers	Westpac Banking Corporation 116 James Street Perth WA 6000
Stock exchange listing	Securities of VPCL Limited are listed on the Australian Securities Exchange. ASX Code: VPC
Website:	www.vpcllimited.com.au/

VPCL Limited
Directors' report
31 December 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of VPCL Limited (referred to hereafter as the 'company' or 'parent entity' or 'VPCL') and the entities it controlled at the end of, or during, the half year ended 31 December 2019.

Directors

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

Leanne Graham
Justin Klintberg
Christopher Mews

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $410,453 (31 December 2018: $2,709,330 profit).

As announced on 17 October 2019, VPCL received the final lump sum consideration of $2,050,000 from Damstra in respect of the sale of the Velpic business. This resulted in an agreed discount of $92,313 in consideration for early settlement.

The short-term loan to Pro9 Global, a related party entity, of $680,000 has now been fully extended. The loan provides the opportunity for VPCL to earn interest over and above what would have been received in the banking system and is secured against Pro9's current and future assets. Subsequent to year end, VPCL received a payment of $16,953 in interest from Pro9. VPCL is in ongoing discussion with Pro 9 as to whether the loan will be extended or repayment of the principal is sought.

VPCL expects to receive a further $225,738 from the sale of its investment in Nowforce Ltd, as escrowed sale proceeds are due for release in May 2020. Further deferred payments of up to US $660,000 may be received by VPCL on or around March 2021 subject to the achievement of certain milestones. As at the date of this report VPCL has not received any payments in respect to the deferred consideration.

Lumi Financial, in which the company holds a $900,000 investment at fair value, being the last price Lumi issued shares at in July 2019. The Board continues to explore its options in respect to this investment including the possible sale of its shares to convert that investment to cash.

As the Company has announced previously, the Board has been considering a number of potential transactions for the benefit of shareholders. Currently, the Company is in the advanced stages of an application to the ASX in relation to a proposed transaction to acquire a new business and undertake a re-compliance with Chapters 1 and 2 of the ASX Listing Rules. Should this transaction not be approved, the Board has considered a shortlist of alternative investments and will seek to progress due diligence activities on these alternative investment opportunities as a priority to enable the Company to re-comply with the Listing Rules and re-commence trading.

Events after the balance date

There are no known subsequent events of a material nature.

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
BDO East Coast Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

This 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

Leanne Graham
Director

28th February 2020
Melbourne

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Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY TIM FAIRCLOUGH TO THE DIRECTORS OF VPCL LIMITED

As lead auditor for the review of VPCL Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of VPCL Limited and the entities it controlled during the period.

Tim Fairclough
Partner

BDO East Coast Partnership

Melbourne, 28 February 2020

VPCL Limited
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31 December 2019

General information

The financial statements cover the parent entity as a consolidated entity consisting of VPCL Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is VPCL Limited's functional and presentation currency.

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

Registered office	**Principal place of business**
Unit 36, 38 Manchester Lane Melbourne VIC 3000	Unit 36, 38 Manchester Lane Melbourne VIC 3000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28th February 2020. The directors have the power to amend and reissue the financial statements.

VPCL Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 $	31 Dec 2018 (restated) $
Revenue from continuing operations			
Revenue and other income	3	22,393	213,856
Foreign Exchange Gain		225	-
Expenses			
Bad debts expense		14,393	-
Compliance cost		(31,647)	(55,007)
Depreciation		-	(43)
Directors' fees		(148,000)	(150,431)
Employee expense		13,778	(113,570)
Finance charges from early settlement of Damstra receivable		(92,313)	-
Marketing expense		-	(6,177)
Professional & consulting fees		(126,586)	(139,441)
Rent & utilities		(43,164)	(62,171)
Share-based payments		-	111,669
Travel expenses		-	(4,247)
Other expenses		(19,532)	(83,252)
Profit / (Loss) before income tax expense from continuing operations		**(410,453)**	**(288,814)**
Income tax benefit / (expense)		-	-
Profit / (Loss) after income tax expense from continuing operations		**(410,453)**	**(288,814)**
Discontinued Operations			
Profit / (Loss) from discontinued operations	4	-	2,998,144
Profit / (Loss) after income tax expense from discontinued operations		**(410,453)**	**2,709,330**
Profit / (Loss) after income tax expense for the half year		**(410,453)**	**2,709,330**
Other comprehensive income		-	-
Total comprehensive income for the half year		**(410,453)**	**2,709,330**
Profit / (Loss) for the period is attributable to members of VPCL Limited		**(410,453)**	**2,709,330**
Total comprehensive income for the half year is attributable to members of VPCL Limited		**(410,453)**	**2,709,330**
Basic profit/(loss) per share (cents per share) from continuing operations attributable to members of VPCL Limited		(0.04)	(0.03)
Basic profit/(loss) per share (cents per share) from discontinued operations attributable to members of VPCL Limited		-	0.27
Basic & diluted profit/(loss) per share (cents per share) for profit attributable to members of VPCL Limited		(0.04)	0.24

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

VPCL Limited
Statement of financial position
As at 31 December 2019

	Note	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Current assets			
Cash and cash equivalents		3,354,374	2,204,998
Receivables	5	949,308	1,251,051
Other current assets		17,664	13,614
Total Current Assets		**4,321,346**	**3,469,663**
Non-current assets			
Receivables	5	-	1,309,248
Investments	6	900,000	900,000
Total Non-Current Assets		**900,000**	**2,209,248**
Total Assets		**5,221,346**	**5,678,911**
Liabilities			
Current liabilities			
Trade and other payables		45,691	92,803
Total Current Liabilities		**45,691**	**92,803**
Total Liabilities		**45,691**	**92,803**
Net Assets		**5,175,655**	**5,586,108**
Equity			
Issued capital		33,216,771	33,216,771
Reserves	7	2,320,472	2,320,472
Accumulated losses		(30,361,588)	(29,951,135)
Total equity		**5,175,655**	**5,586,108**

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

VPCL Limited
Statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued capital $	Share Based Payment Reserve $	Retained profits $	Total equity $
Balance at 1 July 2019	33,216,771	2,320,472	(29,951,135)	5,586,108
Loss for the period	-	-	(410,453)	(410,453)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(410,453)	(410,453)
Balance at 31 December 2019	**33,216,771**	**2,320,472**	**(30,361,588)**	**5,175,655**

Consolidated	Issued capital $	Share Based Payment Reserve $	Retained profits $	Total equity $
Balance at 1 July 2018	33,216,771	2,432,141	(32,861,022)	2,787,890
Profit after income tax expense for the period	-	-	2,101,365	2,101,365
Adjustment for prior year error (Note 10)	-	-	607,965	607,965
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	2,709,330	2,709,330
Transactions with owners in their capacity as owners:				
Options Expired	-	(111,669)	-	(111,669)
Balance at 31 December 2018 (restated)	**33,216,771**	**2,320,472**	**(30,151,692)**	**5,385,551**

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

VPCL Limited
Statement of cash flows
For the half-year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 $	Consolidated 31 Dec 2018 $
Cash flows from operating activities			
Receipts from customers inclusive of GST		-	401,622
Payments to suppliers and employees		(341,941)	(1,892,862)
Interest received		973	2,647
Refund of erroneous customer payments		(49,656)	-
Net cash used in operating activities		**(390,624)**	**(1,488,593)**
Cash flows from investing activities			
Proceeds from sale of investments, net of cash given up		2,050,000	550,000
Proceeds / (Payments) for other financial assets		(510,000)	1,201,980
Net cash provided by / (used in) investing activities		**1,540,000**	**1,751,980**
Net increase in cash and cash equivalents		1,149,376	263,387
Cash and cash equivalents at the beginning of the financial period		2,204,998	1,947,980
Cash and cash equivalents at the end of the financial period		**3,354,374**	**2,211,367**

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

Note 1. Significant accounting policies

a. Statement of Compliance

This general purpose financial report for the half year ended 31 December 2019 has been 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 Boards ("AASB"). Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

The condensed half year financial report does not include full disclosure of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

b. Basis of preparation

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

c. Going Concern

For the period ended 31 December 2019 the consolidated entity recorded net cash inflows of $1,149,376, a cash balance of $3,354,374 and a net loss of $410,453.

The disposal of the consolidated entity's Software-as-a-Service business and Brand Technology Agency means that at present, the consolidated entity does not have a substantive project. This indicates a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Taking into consideration the cash position of the consolidated entity as at 31 December 2019, and ongoing operating costs, the consolidated entity does not expect any material financial impact as a result of any potential future going concern issues.

Management believe that there are sufficient funds to meet the consolidated entity's working capital requirements as at the date of this report, while management continues to review potential future business opportunities. Currently, the Company is in the advanced stages of an application to the ASX in relation to a proposed transaction to acquire a new business. Should this transaction not be approved, the Board has considered a shortlist of alternative investments and believe that a new substantive project will be achieved within the next 12 months from the date of signing these financial statements.

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business as the directors are confident the consolidated entity will find a new project to participate in as and when required.

Should the consolidated entity not be able to continue as a going concern due to lack of operations, it may be required to release its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

d. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2019 annual financial report for the year ended 30 June 2019.

e. Rounding of Amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Note 2. 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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The consolidated entity 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.

Note 3. Revenue and other income

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 (restated) $
Interest Income	22,393	52,256
R&D Incentive	-	161,600
Total other income	**22,393**	**213,856**

Note 4. Discontinued operations

	Consolidated	
	31 Dec 2019 $	31 Dec 2018 (restated) $
Software-as-a-Service Business – operations and disposal	-	3,086,501
Brand Technology Agency – operations and disposal	-	(88,357)
Gain/(loss) for the period from discontinued operations	-	2,998,144

Software-as-a-Service Business

On 21 September 2018, the Group disposed of the Software-as-a-Service Business. The software sold was the Group's Learning Management System.

Operating Profit / (Loss) on Software-as-a-Service Business for the half-year	-	(314,527)
Gain on disposal of the Software-as-a-Service Business	-	3,401,028
Software-as-a-Service Business – operations and disposal	-	3,086,501

The following were the operating results of the Software as a Service business for the half-year:		
Revenue	-	243,990
Operating expenses	-	(558,517)
Goodwill write-off	-	-
Loss before income tax	-	(314,527)
Income tax expense/(benefit)	-	-
Loss after income tax	-	(314,527)

The net assets of Software-as-a-Service Business at the date of disposal were as follows:

	21 September 2018 (restated) $
Net assets disposed of	74,526
Gain on disposal	3,401,028
Total consideration	3,475,554
Satisfied by cash, and net cash flow arising on disposal	1,000,000
Deferred consideration receivable - Damstra	2,475,554
Total consideration	3,475,554

Note 4. Discontinued operations (cont.)

Brand Technology Agency

On 20 December 2018, the Group disposed of the Brand Technology Agency**.**

	Consolidated	
	31 Dec 2019	**31 Dec 2018**
	$	$
Operating Loss on Brand Technology Agency for the year	-	(133,812)
Gain on disposal of the Brand Technology Agency	-	45,455
Brand Technology Agency – operations and disposal	-	(88,357)

The following were the operating results of the Brand Technology Agency for the period:

Revenue	-	67,646
Operating expenses	-	(201,458)
Loss before income tax	-	(133,812)
Income tax expense/(benefit)	-	-
Loss after income tax	-	(133,812)

The net assets of Brand Technology Agency at the date of disposal were as follows:

	20 December 2018
	$
Net assets disposed of	4,545
Gain on disposal	45,455
Total consideration	50,000
Satisfied by cash, and net cash inflow arising on disposal	50,000

Note 5. Receivables

	Consolidated	
	31 Dec 2019	**30 Jun 2019**
Current:	**$**	**$**
Trade receivables	768	137,083
Current receivable – NowForce Escrow	225,738	225,513
Current receivable on disposal of line of business – Damstra	-	833,065
Provision for Doubtful Debts	(768)	(137,083)
Loan – Pro 9 Global (note 9)	701,574	170,154
GST	21,996	17,509
FBT Instalments	-	4,810
	949,308	1,251,051
Non-Current:		
Non-current receivable on disposal of line of business - Damstra	-	1,309,248
Total Receivables	**949,308**	**2,560,299**

Note 5. Receivables (continued)

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the balance date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for impairment.

Ageing of impaired trade receivables

	Consolidated	
	31 Dec 2019 $	30 Jun 2019 $
30 – 60 days	-	-
60 – 90 days	-	-
90 – 120 days	768	137,083
Total	768	137,083

Note 6. Non-current assets - Investments

	Consolidated	
	31 Dec 2019 $	30 Jun 2019 $
Financial assets at fair value through statement of profit and loss		
Lumi Financial	900,000	900,000
Total Investments	**900,000**	**900,000**

Note 7. Equity - Reserves

Nature and purpose of reserves

Share-based payments reserve
This reserve is used to record the value of equity benefits provided to employees, directors as part of their remuneration and consultants in lieu of services.

	Consolidated	
	31 Dec 2019 $	30 Jun 2019 $
Share-based payment reserve	2,320,472	2,320,472
Total reserves	**2,320,472**	**2,320,472**

Note 7. Share based payments and options on issue

Movement in share-based payments reserve

	6 months to 31 Dec 2019			Year to 30 Jun 2019		
	Weighted average exercise price	Number	$	Weighted average exercise price	Number	$
Balance at the beginning of the period	-	124,363,777	2,320,472	-	148,213,777	2,432,141
Expired	-	(124,363,777)	-	-	(16,200,000)	-
Forfeited (ii)	-	-	-	-	(7,650,000)	(111,669)
Balance at end of the period	-	-	2,320,472	-	124,363,777	2,320,472

Note 8. Commitments

	Consolidated 31 Dec 2019 $	Consolidated 31 Dec 2018 $
Operating Lease Commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year (i)	-	125,656
	-	**125,656**

(i) The operating lease on the consolidated entity's former premises ceased on 31 August, 2019

Note 9. Related Parties

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 31 Dec 2019 $	Consolidated 30 Jun 2019 $
Current receivables:		
Loan to Pro9 Global Limited	701,574	170,154

Transactions with related parties were made on an arm's length basis.

The loan to Pro9 is secured by a registered charge over the assets of Pro9 Global Limited. The loan has been made on commercial terms at an interest rate of 8% per annum.

No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Other Transactions with key management personnel and their related parties
For the period ended 31 December 2019, the other transactions with key management personnel included:
- $510,000 loaned to Pro9 Global Ltd bringing the loan to $680,000 at 31 December 2019, under a Loan Agreement dated 19th June 2019, of which Justin Klintberg is a director. $21,574 of interest was accrued as at 31st December 2019.

For the year ended 30 June 2019, the other transactions with key management personnel included:
- $170,000 loaned to Pro9 Global Ltd, under a Loan Agreement dated 19th June 2019, of which Justin Klintberg is a director.

Note 10. Prior Period Errors

As announced on 23 August 2019, referring to the audited financial statements as at 31 December 2018, the Board has noted the need to make a non-cash related adjustment to those accounts relating to the sale of the Velpic business to Damstra for $1.0m on completion and approximately $2.8m in deferred consideration. Under accounting standards VPCL was required to calculate a Net Present Value (NPV) of this deferred consideration and carry it as a receivable in the company's financial accounts as at 31 December 2018.

In preparation for the 2019 year-end audit, the Board and the auditor identified that the calculation of the NPV and associated interest reported in the financial accounts at 31 December 2018 was incorrect due to the utilisation of an incorrect discount rate in the determination of the NPV. This resulted in the receivables at 31 December 2018 in the Consolidated Statement of Financial Position being understated, gain from discontinued operations being understated and interest revenue in the Statement of Profit and Loss being overstated.

The adjustment to the NPV and interest in respect to this re-statement are non-cash related, with correct numbers shown below.

(i) Statement of Profit and Loss

For the 6 months ended 31 December 2018	As previously reported	Adjustments	As restated
Continuing Operations			
Revenue and other income	142,132	(89,876)	52,256
Loss for the period after income tax	(198,938)	(89,876)	(288,814)
Discontinued Operations			
Gain/(loss) for the period from discontinued operations	2,300,303	697,841	2,998,144
Total Comprehensive Gain / (Loss) for the period	**2,101,365**	**607,965**	**2,709,330**
Basic earnings per share	0.19	0.05	0.24

(ii) Statement of Financial Position

As at ended 31 December 2018	As previously reported	Adjustments	As restated
Other Current Assets	593,564	246,471	840,035
Total Current Assets	2,993,876	246,471	3,240,347
Other Non-Current Assets	1,351,635	361,494	1,713,129
Total Non-Current Assets	1,931,993	361,494	2,293,487
Total Assets	**4,925,869**	**607,965**	**5,533,834**
Accumulated Losses	(30,759,657)	607,965	(30,151,692)
Total Equity	**4,777,586**	**607,965**	**5,385,551**

(iii) Statement of Changes in Equity

As at ended 31 December 2018	As previously reported	Adjustments	As restated
Comprehensive income for the period	2,101,365	607,965	2,709,330
Accumulated Losses	(30,759,657)	607,965	(30,151,692)
Total Equity	**4,777,586**	**607,965**	**5,385,551**

Note 10. Events after the reporting period

There are no known subsequent events of a material nature.

VPCL Limited
Directors' declaration
31 December 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Leanne Graham
Director

28th February 2020
Melbourne

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of VPCL Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of VPCL Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 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 Group's financial position as at 31 December 2019 and its financial 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 Group, 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 Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO

Tim Fairclough

Tim Fairclough
Partner

Melbourne, 28 February 2020