

PLC Financial Solutions Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	PLC Financial Solutions Limited
ABN:	58 119 055 435
Reporting period:	For the half-year ended 31 December 2019
Previous corresponding period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

					\$
Revenues from ordinary activities					-
Loss from ordinary activities from continuing operations after tax	down	24%	to		309,593
Net loss for the period attributable to members	down	82%	to		309,593

Dividends

The company does not propose to pay any dividends in the current period

Comments

The loss for the period after providing for income tax amounted to \$309,593 (31 December 2018: \$409,620), and the loss for the period from discontinued operations after providing for income tax amounted to NIL (31 December 2018: \$1,301,504).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.13</u>	<u>0.43</u>

4. Control gained over entities

Not relevant

5. Details of associates and joint venture entities

N/A

6. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

7. Attachments

Details of attachments (if any):

The Interim Report of PLC Financial Solutions Limited for the half-year ended 31 December 2019 is attached.

8. Signed



Harry Fung
Director
Melbourne

Date: 28 February 2020

PLC Financial Solutions Limited

ABN 58 119 055 435

Half-year Report - 31 December 2019

The information in this half-year report should be read in-conjunction with the annual report of PLC Financial Solutions Limited for the year ended 30 June 2019 and any announcements to the market by PLC Financial Solutions Limited for the half-year ended 31 December 2019.

PLC Financial Solutions 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' or 'PLC') consisting of PLC Financial Solutions Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

As at the date of the Directors' Report, the following persons hold office as directors of PLC Financial Solutions Limited:

Harry Fung
Campbell McLeod
Chun Fong Leung
George Simm, appointed 22 October 2019

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Reviewing its short term loan business and target market to focus on particular loans for small to medium sized enterprises;
- Source potential business opportunities for a backdoor listing and
- Reviewing potential loan book acquisition opportunities.

Review of operations

The net loss after tax of the consolidated entity for the half year was \$309,593 (2018: \$1,711,124).

During the half year ended 31 December 2019, PLC continued to seek out, and conduct due diligence on, Australian loan applications, conducting extensive review and due diligence investigations into opportunities to expand the Australian lending business and as well various other business opportunities to conduct a back door listing of the Company.

The Company has conducted customary due diligence investigations in respect of all of these applications, some of which have resulted in applicants being deemed to be unsuitable for the Company's risk profile. The Company is continuing to complete its due diligence investigations in respect of several of these applications and anticipates that it may be in a position to execute a number of these loans during the next quarter.

The Board of PLC is also currently reviewing various opportunities in relation to a backdoor listing to provide better shareholder liquidity and value for the company. The company will update the market as these opportunities are further progressed.

As at the date of this Report, the Company's shares continue to remain in suspension. The Directors are continuing to work closely with the ASX with the objective of ending the trading suspension of the Company's shares.

Significant changes in the state of affairs

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

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.

PLC Financial Solutions Limited
Directors' report
31 December 2019

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to be 'H. Fung', with a long, sweeping horizontal stroke extending to the right.

Harry Fung
Director

28 February 2020
Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF PLC FINANCIAL SOLUTIONS
LIMITED AND ITS CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief during the period ended 31 December 2019 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N.S. Benbow
Director

Melbourne, 28 February 2020

ACCOUNTANTS & ADVISORS

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PLC Financial Solutions Limited

Contents

31 December 2019

Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	12
Independent auditor's review report to the members of PLC Financial Solutions Limited	13

General information

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

PLC Financial Solutions 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

1 Alfred Place
South Melbourne VIC 3205

Principal place of business

1 Alfred Place
South Melbourne VIC 3205

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 the date of signing the accompanying directors' declaration.

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

	Consolidated	
Note	31 Dec 2019	31 Dec 2018
Revenue from continuing operations	-	-
Other income	-	3,012
Expenses		
Corporate and administrative expenses	(309,593)	(412,632)
Loss before income tax expense from continuing operations	(309,593)	(409,620)
Income tax expense	-	-
Loss after income tax expense from continuing operations	(309,593)	(409,620)
Loss after income tax expense from discontinued operations	-	(1,301,504)
Loss after income tax expense for the half-year	<u>(309,593)</u>	<u>(1,711,124)</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Realised foreign exchange losses subsequently recognised in the profit or loss upon derecognition of foreign controlled operations	-	1,248,050
Other comprehensive income for the half-year, net of tax	-	1,248,050
Total comprehensive loss for the half-year	<u>(309,593)</u>	<u>(463,074)</u>
Total comprehensive loss for the half-year is attributable to:		
Continuing operations	(309,593)	(409,620)
Discontinued operations	-	(53,454)
Owners of PLC Financial Solutions Limited	<u>(309,593)</u>	<u>(463,074)</u>
	<u>(309,593)</u>	<u>(463,074)</u>
	Cents	Cents
Basic and diluted loss per share – continuing and discontinued operations	(0.20)	(1.13)
Basic and diluted loss per share – continuing operations	(0.20)	(0.27)
Basic and diluted loss per share – discontinued operations	-	(0.86)
Number of shares used in calculating basic and diluted loss per share	151,883,205	151,883,205

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

PLC Financial Solutions Limited
Statement of financial position
As at 31 December 2019

Consolidated
31 Dec 2019 30 Jun 2019

Assets

Current assets

Cash and cash equivalents	80,715	281,061
Financial assets held at amortised cost – loan portfolio	-	56,000
Other current assets	-	2,500
Total current assets	<u>80,715</u>	<u>339,561</u>

Non-current assets

Property, plant and equipment	184,644	215,419
Right of use leased asset	371,086	
Total non-current assets	<u>555,730</u>	<u>215,419</u>

Total assets

<u>636,445</u>	<u>554,980</u>
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Liabilities

Current liabilities

Trade and other payables	61,600	48,845
Lease liability	100,860	
Total current liabilities	<u>162,460</u>	<u>48,845</u>

Non-current liabilities

Lease liability	277,443	-
Total non-current liabilities	<u>277,443</u>	<u>-</u>

Total liabilities

<u>439,903</u>	<u>48,845</u>
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Net assets

<u>196,542</u>	<u>506,135</u>
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Equity

Issued capital	30,580,765	30,580,765
Reserves	-	-
Accumulated losses	(30,384,223)	(30,074,630)

Total equity

<u>196,542</u>	<u>506,135</u>
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The above statement of financial position should be read in conjunction with the accompanying notes

PLC Financial Solutions Limited
Statement of changes in equity

Consolidated	Issued capital \$	Reserves \$	Accumulated loss \$	Total equity \$
Balance at 1 July 2018	30,285,765	(1,248,050)	(28,176,803)	860,912
Loss after income tax expense for the half-year	-	-	(1,711,124)	(1,711,124)
Other comprehensive income for the half-year, net of tax	-	1,248,050	-	1,248,050
Total comprehensive loss for the half-year	-	1,248,050	(1,711,124)	(463,074)
Transactions with owners in their capacity as owners				
Issue of shares through placement	175,000	-	-	175,000
Vesting of share-based payments	120,000	-	-	120,000
Balance at 31 December 2018	<u>30,580,765</u>	<u>-</u>	<u>(29,887,927)</u>	<u>692,838</u>
Balance at 1 July 2019	30,580,765	-	(30,074,630)	506,135
Loss after income tax expense for the half-year	-	-	(309,593)	(309,593)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(309,593)	(309,593)
Transactions with owners in their capacity as owners:				
Issue of shares through placement	-	-	-	-
Vesting of share-based payments	-	-	-	-
Balance at 31 December 2019	<u>30,580,765</u>	<u>-</u>	<u>(30,384,223)</u>	<u>196,542</u>

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

PLC Financial Solutions Limited
Statement of cash flows
For the half-year ended 31 December 2019

	Consolidated	
Note	31 Dec 2019	31 Dec 2018
	\$	\$
Cash flows from operating activities		
Cash payments in the course of operations	(151,146)	(485,014)
Interest received	-	3,012
Net cash used in operating activities	(151,146)	(482,002)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(201,000)
Divestment of Malaysian Operations	-	(20)
Net cash used in investing activities	-	(201,020)
Cash flows from financing activities		
Proceed from issuance of shares	-	175,000
Payment of lease liabilities	(49,200)	-
Net cash from financing activities	(49,200)	175,000
Net increase/(decrease) in cash and cash equivalents	(200,346)	(508,022)
Cash and cash equivalents at the beginning of the financial half-year	281,061	1,012,297
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial half-year	80,715	504,275

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are 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.

Basis of Preparation

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

The consolidated entity has reported a net loss after tax of \$309,593 and a net cash operating outflow of \$151,146 for the half-year ended 31 December 2019. At balance date, the consolidated entity had cash assets of \$80,715. In considering the going concern basis of accounting and management of cash flows, the directors have considered the following matters:

- The directors have an appropriate plan to raise additional funds as and when it is required and have demonstrated an ability to do such a course of action;
- With the exception of its lease commitment at approximately \$90,000 per year and the liabilities disclosed in the statement of financial position, the consolidated entity has no ongoing contracted expenditures with any contractors or any of its directors and the consolidated entity has no employees; and
- The directors are able to scale down a majority of its operating and administrative expenditure if appropriate funding is unavailable.

Presently the directors are seeking out and evaluating potential acquisitions and business opportunities that complement PLC Financial Solution's business model being money lending to small to medium enterprises (SMEs), with the intention of creating value of shareholders.

As a consequence of all these matters, these accounts have been prepared on the basis that the entity can continue normal business activities and meet its commitments as and when they fall due, and the realisation of assets and liabilities in the ordinary course of business.

Note 2. Summary of Significant Accounting Policies

New or amended Accounting Standards and Interpretations adopted

During the reporting period the following amended standard became applicable for the current reporting period and the consolidated entity had to change its accounting policies as a result of adopting this standard:

- AASB 16 Leases

AASB 16 replaces AASB 117 "Leases" will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in depreciation expense) and an interest expense on the recognised lease liabilities (included in interest expense). For classification within the statement of cash flows, the interest portion is included in interest paid and the principal portion of the lease payments are separately disclosed as repayment of lease liabilities.

Impact of Adoption

AASB was adopted from 1 July 2019. The directors have elected to utilise the transitional provisions available under Standard AASB 16 and have calculated a Right of Use asset equal to the present value of minimum lease payments effective 1 July 2019. That value, applying a 5% incremental borrowing rate and with an assumption that the option on the property will be exercised entitling the full lease to be utilised up to December 2023, was \$417,472.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the net present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the lease term or future lease payments arising from a change in an index or rate used. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset.

Note 3. Operating segments

For the half-year ended 31 December 2019, the consolidated entity operated in one segment, being money lending in Australasia.

Note 4. Contingent assets and liabilities

There has been no change in contingent liabilities since the last annual reporting date.

Note 5. Events after the reporting period

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements

PLC Financial Solutions 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

A handwritten signature in blue ink, appearing to read 'Harry Fung', with a stylized flourish at the end.

Harry Fung
Director

28 February 2020
Melbourne

PLC Financial Solutions Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of PLC Financial Solutions Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2019, 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.

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 PLC Financial Solutions Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Relating to Going Concern

We draw attention to Note 2 to the financial report, which describes that during the half-year ended 31 December 2019 the Group incurred a loss of \$309,593. This condition, along with other matters set for in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors 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 Responsibilities for the Review of the Half-Year Financial Report

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,

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we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

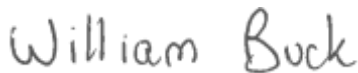
- giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

As the auditor of PLC Financial Solutions 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 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*.



William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136



N.S. Benbow

Director

Melbourne, 28 February 2020