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ASX Announcement

11 September 2020

RELIANCE ON ASIC CLASS RELIEF TO EXTEND LODGMENT DATE FOR REVIEWED INTERIM FINANCIAL REPORT

Po Valley Energy Limited (**ASX: PVE**) (**Po Valley** or the **Company**) advises that pursuant to ASX listing rule 18.1 and ASIC Corporations (Extended Reporting and Lodgment Deadlines – Listed Entities) instrument 2020/451 dated 15 May 2020 (the "ASIC Relief"), PVE is relying on the ASIC Relief and class waiver from ASX listing rule 4.5.1 to extend lodgment date for its Reviewed Half Year Financial Report.

The Company is relying on ASIC relief to provide our auditors additional time to gather sufficient information to complete their review given the increased difficulties caused by COVID 19 related restrictions.

The attached interim financial information for the half year ended 30 June 2020 is unreviewed.

The Company intends to lodge the Reviewed Interim Financial Report by no later than 14th October 2020. The Company confirms that it will immediately make further announcement to ASX if it becomes aware that there will be a material difference between its unreviewed and its reviewed Interim Financial Report.

This Announcement was authorised for release by the Michael Masterman, Chairman of Po Valley Energy Limited

Media Contacts:

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PO VALLEY ENERGY LIMITED

A.B.N. 33 087 741 571

UNREVIEWED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2020

PO VALLEY ENERGY LTD

UNREVIEWED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020

	NOTE	30 June 2020 €	30 June 2019 €
Continuing Operations			
Other income		64,599	1,124
Employee benefits		(302,929)	(309,249)
Depreciation expense		(20,218)	(20,850)
Corporate overheads		(206,053)	(381,484)
Gain on agreement debt settlement		110,940	-
Exploration costs expensed		(9,000)	(1,500)
Loss from operating activities	**2**	(342,893)	(711,959)
Finance income		141	126
Finance expense		(64,345)	(126,954)
Net finance expense		(64,204)	(126,828)
Loss before income tax expense		(427,315)	(838,787)
Income tax (expense) / benefit	**3**	-	-
Loss for the period		(427,315)	(838,787)
Other comprehensive income		-	-
Total comprehensive loss for the period		(427,315)	(838,787)
Loss attributable to:			
Members of the Company		(427,315)	(838,787)
Total comprehensive loss attributable to:			
Members of the Company		(427,315)	(838,787)
Basic and diluted earnings / (loss) per share (€) from continuing operations	**4**	**(0.07) cents**	**(0.14) cents**

The accompanying notes from part of these financial statements

PO VALLEY ENERGY LTD

UNREVIEWED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	30 June 2020 €	31 December 2019 €
Current Assets			
Cash and cash equivalents		31,149	42,165
Trade and other receivables	**5**	100,005	283,853
Total current assets		**131,154**	**326,018**
Non-Current Assets			
Other assets		17,578	17,578
Deferred tax assets	**3**	947,181	947,181
Property, plant & equipment	**6**	31,627	105,145
Resource property costs	**7**	7,959,834	7,876,926
Total non-current assets		**8,956,220**	8,946,830
Total assets		**9,087,374**	**9,272,848**
Equity and liabilities			
Current Liabilities			
Trade and other payables		1,257,153	1,090,159
Lease liabilities	**8**	24,783	41,066
Provisions		2,797	2,797
Interest bearing loans	**9**	1,393,362	1,272,676
Convertible notes	**11**	1,530,903	-
Total current liabilities		**4,208,998**	**2,406,698**
Non-Current Liabilities			
Lease liabilities	**8**	-	58,512
Convertible notes	**11**	-	1,563,183
Interest bearing loans	**9**	61,236	-
Total non-current liabilities		**61,236**	**1,621,695**
Total Liabilities		**4,270,234**	**4,028,393**
Equity			
Issued capital	**10**	46,641,745	46,461,745
Reserves		1,192,269	1,192,269
Accumulated losses		(43,016,874)	(42,589,559)
Total equity		**4,817,140**	**5,244,455**
Total equity and liabilities		**9,087,374**	**9,272,848**

The accompanying notes from part of these financial statements

PO VALLEY ENERGY LTD

UNREVIEWED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Attributable to equity holders of the Company			
	Share capital	**Translation Reserve**	**Accumulated Losses**	**Total**
	€	**€**	**€**	**€**
Balance at 1 January 2019	**45,531,416**	**1,192,269**	**(41,080,669)**	**5,643,016**
Adjustment from adoption of AASB16	-	-	(4,149)	(4,149)
Adjusted balance at 1 January 2019	**45,531,416**	**1,192,269**	**(41,084,818)**	**5,638,867**
Total comprehensive loss for the period:				
Loss for the period	-	-	(838,787)	(838,787)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(838,787)	(838,787)
Transactions with members recorded directly in equity:				
Issue of shares (net of costs)	260,085	-	-	260,085
Balance at 30 June 2019	**45,791,501**	**1,192,269**	**(41,923,605)**	**5,060,165**
Balance at 1 January 2020	**46,641,745**	**1,192,269**	**(42,589,559)**	**5,244,455**
Total comprehensive loss for the period:				
Loss for the period	-	-	(427,315)	(427,315)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(427,315)	(427,315)
Transactions with members recorded directly in equity:	-	-	-	-
Balance at 30 June 2020	**46,641,745**	**1,192,269**	**(43,016,874)**	**4,817,140**

The accompanying notes from part of these financial statements

PO VALLEY ENERGY LTD

UNREVIEWED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	NOTE	30 June 2020 €	30 June 2019 €
Cash flows from operating activities			
Payments to suppliers and employees		(294,532)	(502,941)
Interest received		141	126
Interest paid		(254)	(25,017)
Net cash used in operating activities		(294,645)	(527,832)
Cash flows from investing activities			
Receipts for resource property costs from joint operations partners		147,059	-
Payments for resource property costs		(73,430)	(128,576)
Net cash used in investing activities		73,629	(128,576)
Cash flows from financing activities			
Proceeds from issues of shares (net of issue costs)		-	81,144
Proceeds from borrowings		210,000	92,585
Net cash provided by financing activities		210,000	173,729
Net increase in cash and cash equivalents		(11,016)	(482,679)
Cash and cash equivalents at 1 January		42,165	515,604
Cash and cash equivalents at 30 June		31,149	32,925

The accompanying notes from part of these financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 REPORTING ENTITY

Po Valley Energy Limited ("the **Company**" or "**PVE**") is a company domiciled in Australia. The consolidated interim financial report for the six-month period ended 30 June 2020 comprises the Company and its interests in subsidiaries, associates and jointly controlled entities and operations (together referred to as the "Group").

The Group is primarily involved in the exploration, appraisal, development of and production from gas properties in the Po Valley region in Italy and is a for profit entity.

1.2 BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

The interim financial report is a condensed general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2019. They do not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 December 2019 and with any public announcements made by Po Valley Energy Limited during the half-year ended 30 June 2020.

(b) BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on the basis of historical cost taking into account, where appropriate, any value adjustments except for certain items required to be recognised at fair value.

(c) GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the period ended 30 June 2020, PVE has recorded a loss after tax from continuing operations of €427,315; it has a cash balance of €31,149 net current liabilities of €4,077,344 and had net cash outflows from continuing operations of €294,645. Since the beginning of 2020 Italy has faced a very challenging operating environment as a result of COVID-19 virus impacts and the resulting State of Emergency and associated lockdowns. During this period, PVE has put in place a number of initiatives to safe-guard its staff and contractors and to reduce costs with minimised field operations. The Italian Government has been focussed on COVID- legislation and European funding stimulus packages which has delayed domestic approvals.

The Directors recognise that the ability of PVE to continue as a going concern is dependent on the Group being able to secure additional funding through either the issue of new equity, convertible debt, sale of operating or non-operating interests in assets or a combination of these and other funding instruments and options as required to fund ongoing planned activities and for working capital. PVE has the ongoing support of its Board and major shareholders who have provided funding through unsecured loans to the Group. Given the current circumstances the Group has agreed to accept additional unsecured loans of AU$500,000 from directors and major shareholders since 30 June 2020. In addition, repayment terms on the existing and new unsecured loans have been extended to 31 December 2021. PVE has put in place measures to reduce operating costs. The small executive and consulting team have elected to defer or reduce fees to significantly lower levels over the next two quarters and at least until final formal approval of Selva development is obtained and development can commence. PVE has further cut costs to minimum levels for field and technical costs and travel costs due to minimised field operations and travel during current COVID-19 restrictions and continues to reduce costs further where possible in relation to administrative and office costs as staff continue to work from home. The cost reduction plan is essentially complete and has been implemented successfully. Costs savings are expected to be more visible in the second half of 2020. The Directors believe that the additional loans and cost saving measures will provide sufficient working capital pending a more significant fund raising in the latter half of 2020 which will coincide with the anticipated granting of development approval for Selva.

Should the Group not achieve the matters set out above, there is a material uncertainty that may cast significant doubt whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(d) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Euro, which is the Company's and each of the Group entities functional currency.

(e) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on complex or subjective judgments and past experience of other assumptions deemed reasonable in consideration of the information available at the time and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-current assets

The ultimate recoupment of the value of resource property costs and property plant and equipment is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying properties. The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an impairment indicator exist, the area of interest or CGU is tested for impairment. There is significant estimation involved in determining the inputs and assumptions used in determining the recoverability amounts.

The key areas of estimation involved in determining recoverable amounts include:
- Recent drilling results and reserves and resources estimates
- Environmental issues that may impact the underlying licences
- The estimated market value of assets at the review date
- Fundamental economic factors such as the gas price and current and anticipated operating costs in the industry
- Future production rates

The post-tax discount rate used for impairment purposes is 10%.

Rehabilitation provisions

The value of these provisions represents the discounted value of the present obligations to restore, dismantle and rehabilitate each well site. Significant estimation is required in determining the provisions for rehabilitation and closure as there are many transactions and other factors that will affect ultimate costs necessary to rehabilitate the sites. The discounted value reflects a combination of management's best estimate of the cost of performing the work required, the timing of the cash flows and the discount rate.

A change in any, or a combination of, the key assumptions used to determine the provisions could have a material impact on the carrying value of the provisions. The provision recognised for each site is reviewed at each reporting date and updated based on the facts and circumstances available at that time. Changes to the estimated future costs for operating sites are recognised in the statement of financial position by adjusting both the restoration and rehabilitation asset and provision.

The Group has considered its obligations for restoration and rehabilitation of the well development planned for the Selva field. The Company estimates that the cost of restoration of the well development will be €2,065,119 to be incurred once production ceases at the end of estimated production life estimated to be 15 years. A provision for these restoration costs will be recognised once the final production concession is granted and development has commenced as anticipated in the latter half of 2020.

Reserve estimates

Estimation of reported recoverable quantities of Proven and Probable reserves include estimates regarding commodity prices, exchange rates, discount rates, and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period.

A change in any, or a combination of, the key assumptions used to determine the reserve estimates could have a material impact on the carrying value of the project via depreciation rates or impairment assessments. The reserve estimates are reviewed at each reporting date and any changes to the estimated reserves are recognised prospectively to depreciation and amortisation. Any impact of the change in the reserves is considered on asset carrying values and impairment losses, if any, are immediately recognised in the profit or loss.

Recognition of deferred tax assets

The recoupment of deferred tax assets is dependent on the availability of profits in future years. The Group undertakes a forecasting exercise at each reporting date to assess its expected utilisation of these losses.

The key areas of estimation involved in determining the forecasts include:
- Future production rates
- Economic factors such as the gas price and current and anticipated operating costs in the industry
- Capital expenditure expected to be incurred in the future

A change in any, or a combination of, the key assumptions used to determine the estimates could have a material impact on the carrying value of the deferred tax asset. Changes to estimates are recognised in the period in which they arise.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) New and revised accounting standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been early adopted by the Group for the reporting period ending 30 June 2020.

b) Significant accounting policies

The accounting policies applied by the Group in the consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2019.

NOTE 2: PROFIT AND LOSS INFORMATION

Loss for the half-year includes the following items:

	30 June 2020	30 June 2019
	€	€
Professional fees	(99,629)	(262,870)
Company administration and compliance	(50,935)	(63,396)
Travel costs	(17,164)	(29,508)
Gain on agreement debt settlement	110,940	-

Cost reductions in the current period are a result of reduced activity and cost restrictions due to the current economic climate under COVID-19 pressures. Management continue their effort to further reduce costs whilst the Group awaits approval of its Selva development project and for improvement in current economic climate.

On 30 June 2020, the Group reached an agreement with Apennine Energy S.p.A (formerly Northsun Italia S.p.A) to settle a disputed amount in relation to charges made to Po Valley Operations Pty Ltd (PVO) for costs in relation to the drilling of the Selva gas field. The final agreed amount to settle all claims between the companies was €120,000. This has resulted in a net gain to PVO of €110,940.

NOTE 3: INCOME TAX EXPENSE

Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expenses calculated per the statutory income tax rate

	30 June 2020	30 June 2019
	€	€
Loss for the year before tax	(427,315)	(838,787)
Income tax expensed / (benefit) using the Company's domestic tax rate of 27.5 % (2019: 27.5%)	(117,512)	(230,666)
Effect of tax rates in foreign jurisdictions	9,502	15,160
Current year losses and temporary differences for which no deferred tax asset was recognised	108,009	215,506
Income tax expense / (benefit)	-	-

Tax benefits have not been recognised in respect of tax losses and temporary differences for the first six months based on management assessment of future taxable profit that would be available against which the Group can utilise the benefits therefrom. Deferred tax assets have been recognised in respect of tax losses and temporary differences based on management assessment that future taxable profit will be available against which the Group can utilise the benefits therefrom. Deferred tax assets amounting to €947,182 (December 2019: €947,182) have been recognised in relation to Italian subsidiary available tax losses and temporary differences.

NOTE 4: EARNINGS PER SHARE

	30 June 2020	30 June 2019
Basic and diluted earnings / (loss) per share (€ cents) from continuing operations	(0.07)	(0.14)

The calculation of basic and diluted loss per share from continuing operations was based on the loss attributable to members of €427,315 (2019: €838,787) and a weighted average number of ordinary shares outstanding during the half year of 647,286,102 (2019: 613,632,661).

NOTE 5: TRADE AND OTHER RECEIVABLES

	30 June 2020	31 December 2019
	€	€
Trade receivables	33,132	151,866
Indirect taxes receivable	19,937	46,636
Other receivables	46,936	85,351
Trade and other receivables	**100,005**	**283,853**

NOTE 6: PROPERTY, PLANT & EQUIPMENT

	30 June 2020	31 December 2019
	€	€
Office Furniture & Equipment:		
At cost	21,503	21,503
Accumulated depreciation	(13,846)	(12,989)
	7,657	8,514
Right-of-use assets:		
Buildings	83,316	136,616
Accumulated depreciation	(59,346)	(39,985)
	23,970	96,631
Carrying amount at end of period	31,627	105,145

	6 Months to 30 June 2020	Year to 31 December 2019
Reconciliations:		
Property plant and equipment:		
Carrying amount at beginning of period	105,145	9,602
Adjustment on transition to AASB 16 right-of-use assets	(53,300)	136,616
Additions	-	626
Depreciation expense	(20,218)	(41,700)
Carrying amount at end of period	31,627	105,145

NOTE 7: RESOURCE PROPERTY COSTS

	30 June 2020 €	31 December 2019 €
Resource Property costs		
Exploration Phase	7,959,834	7,876,926

	6 Months to 30 June 2020	Year to 31 December 2019
Reconciliation of carrying amount of resource properties		
Exploration Phase		
Carrying amount at beginning of period	7,876,926	7,704,644
Expenditure during the period	82,908	172,282
Carrying amount at end of period	7,959,834	7,876,926

Resource property costs comprises the carrying value of its exploration and pre-development projects. The ultimate recoupment of resource property costs is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value. Where activities in the area of interest have, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, the exploration and evaluation assets are assessed for impairment. Impairment will occur if sufficient data exists to determine technical feasibility and commercial viability and the facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Following review, no impairment has been recognised for the 6 months to 30 June 2020.

NOTE 8: LEASING

Lease liabilities are presented in the statement of financial position within trade and other payables as follows:

	30 June 2020 €	31 December 2019 €
Lease liabilities (current)	24,783	41,066
Lease liabilities (non-current)	-	58,512

The Group has a lease for the main operation office in Rome Italy. During the period, the Group renegotiated the term of the lease resulting in the reduction the lease term by 16 months. The lease will early terminate in January 2021, the effect of this change has reduced the non-current lease liabilities from 2019, with the remaining liability being due within one year:

	Within one year	One to five years	After five years	Total
Lease payments	25,025	-	-	25,025
Finance charges	(242)	-	-	(242)
Net present values	24,783	-	-	24,783

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of lease liability for the period to 30 June 2020 was €748.

NOTE 9: INTEREST BEARING LIABILITIES

	30 June 2020	31 December 2019
	€	€
Current liabilities		
Loans	1,393,362	1,272,676
Non-current liabilities		
Loans	61,236	-

Terms and debt repayment schedule:
Terms and conditions of outstanding loans were as follows:

				30 June 2020		31 December 2019	
	Currency	Nominal Interest rate	Year of maturity	Face value €	Carrying Amount €	Face value €	Carrying Amount €
Unsecured loans	AUD	10%	2020	1,393,362	1,393,362	1,272,676	1,272,676
Unsecured loans	AUD	10%	2021	61,236	61,236	-	-

The financing facility above is provided by existing and former Directors of the Company and longstanding shareholders. The loans are unsecured with repayment dates of 31 December 2020 and 31 December 2021 and an interest rate of 10%. Subsequent to the period end, repayment dates on the €1,315,754 of the loans maturing in 2020 have been extended to 31 December 2021 (refer note 12).

NOTE 10: ISSUED CAPITAL

	30 June 2020 Number	30 June 2020 €	31 December 2019 Number	31 December 2019 €
Issued Capital				
Opening balance - 1 January / 1 July	647,286,103	46,641,745	611,736,318	45,531,416
Shares issued during the year:				
Placement issue tranche 2 – 27 May 2019	-	-	10,095,237	262,337
Placement issue - 8 August 2019	-	-	14,545,456	484,062
Placement issue tranche 2 - 6 November 2019	-	-	10,909,091	371,996
Share issue costs	-	-	-	(8,066)
Closing balance – 30 June / 31 December	647,286,103	46,641,745	647,286,103	46,641,745

All ordinary shares are fully paid and carry one vote per share and the right to dividends. In the event of winding up the Company, ordinary shareholders rank after creditors. Ordinary shares have no par value.
No dividends were paid or declared during the current period (no dividends were paid at December 2019).

NOTE 11: CONVERTIBLE NOTES

The Company has on issue convertible notes equivalent to A$2,500,000 (€1,530,903).
The convertible notes are convertible into fully paid ordinary shares of the Company at a conversion price of A$0.042 per share. The notes are to be converted or otherwise redeemed within three years of issue (issued June 2018 convertible June 2021) (repayment date) and interest shall be payable in cash on the principal amount at a rate of 8% per annum, calculated monthly and payable 6 monthly in arrears.

Subject to shareholder approval, if required, the noteholder may before the maturity date convert the convertible note into shares by providing the Company with written notice of the conversion.
The Company has the right to elect to redeem any unconverted convertible notes by giving 30-day notice to the noteholder.

Redemption of the notes occurs on:

a) The repayment date;
b) Within 10 business days on the occurrence of an event of default which has not been remedied within the prescribed period; or
c) On a change in control of the Company (including a takeover) or the sale of the Company's main undertaking unless the noteholder elects to convert the Convertible Notes into shares.

The redemption amount is the outstanding facility amount with respect to each note plus any unpaid interest.

NOTE 12: RELATED PARTIES

The Company obtained financing through unsecured loans provided by existing and former Directors of the Company. The loan agreements have been reached with entities associated with Michael Masterman, Kevin Baily (Directors), Bryon Pirola (former Director and major shareholder) and Graham Bradley (former Director).

30 June 2020:

Related Party	Loan Amount	Interest % p.a	Repayment	Accrued Interest €
Beronia Investments Pty Ltd	A$663,179	10%	Dec-20	44,060
Beronia Investments Pty Ltd	A$156,055	10%	Dec-20	10,367
Beronia Investments Pty Ltd	A$528,396	10%	Dec-20	35,105
Beronia Investments Pty Ltd	A$80,000	10%	Dec-20	2,282
Kevin Bailey	A$264,172	10%	Dec-20	20,218
Fuiloro Pty Ltd	A$190,800	10%	Dec-20	11,123
Fuiloro Pty Ltd	A$50,000	10%	Dec-21	310
K & G Bailey as trustee for The Bailey Family Trust	A$106,055	10%	Dec-20	7,046
K & G Bailey as trustee for The Bailey Family Trust	A$80,000	10%	Dec-20	2,255
Symmall Pty Ltd	A$80,000	10%	Dec-20	1,866
Symmall Pty Ltd	A$50,000	10%	Dec-21	336
G. Bradley	A$126,736	10%	Dec-20	8,420
	A$2,375,392			
Total	€1,454,598			143,388

Subsequent to the period end all loans, with the exception of the loan with G. Bradley, were extended by mutual agreement to 31 December 2021 with the lenders agreeing to capitalise interest accrued on the outstanding loans.

NOTE 12: RELATED PARTIES

31 December 2019:

Related Party	Loan Amount	Interest % p.a	Repayment	Accrued Interest €
Beronia Investments Pty Ltd	A$663,179	10%	Dec-20	24,312
Beronia Investments Pty Ltd	A$156,055	10%	Dec-20	5,721
Beronia Investments Pty Ltd	A$528,396	10%	Dec-20	19,371
Kevin Bailey	A$264,172	10%	Dec-20	12,408
Fuiloro Pty Ltd	A$190,800	10%	Dec-20	6,138
K & G Bailey as trustee for The Bailey Family Trust	A$106,055	10%	Dec-20	3,888
G. Bradley	A$126,736	10%	Dec-20	4,646
	A$2,035,393			
	€1,272,676			76,484

Movement on related party loans is summarised below:	6 Months to 30 June 2020 €	Year to 31 December 2019 €
Balance at beginning of period	1,272,676	1,201,258
Loans received	210,000	99,351
Loans repaid	-	(240,845)
Interest capitalised on loans	-	206,234
Effect of foreign exchange	(28,078)	6,678
Balance at end of period	1,454,598	1,272,676
Accrued interest on loans		
Balance at beginning of period	76,484	155,380
Accrued interest for period	66,904	127,338
Interest capitalised to loans during period	-	(206,234)
Balance of accrued interest at end of period	143,388	76,484

NOTE 13: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of financial assets and liabilities as disclosed in the balance sheet equate to their estimated net fair value.

	30 June 2020 €	31 December 2019 €
Financial assets		
Cash and cash equivalents	31,149	42,165
Receivables – current	100,005	283,853
Other assets	17,578	17,578
Total financial assets	148,732	343,596
Financial liabilities		
Trade and other payables - current	1,257,153	1,090,159
Lease liabilities – current	24,783	41,066
Lease liabilities – non-current	-	58,512
Loans – current	1,393,362	1,272,676
Loans – non-current	61,236	-
Convertible notes – current	1,530,903	-
Convertible notes – non-current	-	1,563,183
	4,267,437	4,025,596

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Current receivables, current payables and cash & cash equivalents are not measured at fair value. Due to their short- term nature, the carrying amount of current receivables, current payables and cash and cash equivalents is assumed to approximate their fair value.

The table below summarises financial assets and liabilities at fair value at each level of measurement:

At 30 June 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Lease Liabilities	-	-	24,783	24,783
Convertible Notes (refer note 11)	-	1,530,903	-	1,530,903
	-	1,530,903	24,783	1,555,686

NOTE 14: SUBSEQUENT EVENTS

Subsequent to the period end, the Company obtained additional funding of AU$500,000 from directors and major shareholders and also extended terms on unsecured loans to 31 December 2021.

Other than matters already disclosed in this report, there were no other events between the end of the financial year and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.