

Solco Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Solco Limited
ABN:	27 084 656 691
Reporting period:	For the half-year ended 31 December 2014
Previous period:	For the half-year ended 31 December 2013

2. Results for announcement to the market

					\$
Revenues from ordinary activities	down	97%	to		\$76,497
Loss from ordinary activities after tax attributable to the owners of Solco Limited	down	59%	to		(\$451,890)
Loss for the half-year attributable to the owners of Solco Limited	down	59%	to		(\$451,890)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$451,890 (31 December 2013: \$1,103,511).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.81	1.36

4. Control gained over entities during the reporting period

Not applicable.

5. Loss of control over entities during the reporting period

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities during the reporting period

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year report.

11. Attachments

The Half-yearly report of Solco Limited for the half-year ended 31 December 2014 is attached.



Solco Limited

ABN 27 084 656 691

Half-yearly report - 31 December 2014

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Directors	Brian Thomas (Non-executive chairman) Adam Pearce (Executive director) Lui Pangiarella (Non-executive director) Ian Campbell (Non-executive director) Craig Vivian (Non-executive director)
Company secretary	Henko Vos
Registered office	c/- Nexia Perth Level 3, 88 William Street Perth, Western Australia, 6000 Tel: (08) 9463 2463 Fax: (08) 9463 2499
Principal place of business	Suite 7.04 6a Glenn Street Milsons Point NSW 2061
Share registry	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth, Western Australia, 6000 Tel: (08) 9323 2000 Fax: (08) 9323 2033
Auditor	HLB Mann Judd Level 4, 130 Stirling Street Perth, Western Australia, 6000 Tel: (08) 9227 7500
Securities exchange listing	Australian Securities Exchange (ASX code: SOO)

The directors present their report, together with the financial statements, consisting of Solco Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2014 (collectively referred to hereafter as the 'Group').

Directors

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

Mr David Richardson (Non-executive chairman) (resigned 23 February 2015)
Brian Thomas (Non-executive chairman) (appointed 23 February 2015)
Adam Pearce (Executive director) (appointed 23 February 2015)
Lui Pangiarella (Non-executive director) (appointed 23 February 2015)
Ian Campbell (Non-executive director)
Craig Vivian (Non-executive director)

Review of operations

Revenue for the half year to 31 December 2014 was \$76,497 (half-year to 31 December 2013: \$2,452,747) with a net loss before tax of \$451,890 (2013: loss before tax of \$1,103,511) brought about primarily through the Group's decision to sell its wholesale pumping and PV business in May 2014.

On 29 August 2014 the Company announced the acquisition of a collective group of companies and businesses referred to as the "Go Group of businesses" from Urban Group Energy Holdings Pty Ltd, comprising the brands, businesses, assets and intellectual property of GO Energy, Go Energy Services, Go Energy Installations, Go Quote, CO2 Global Exports, CO2 Markets and SolarTrade.

As part of the transaction the Company undertook a non-renounceable rights issue on the basis of one new share for every existing share held at an issue price of \$0.02 per share to raise up to \$4,102,000. The offer was underwritten by Urban Group Energy Holdings Pty Ltd for up to \$3,000,000. Settlement of the entitlement and shortfall offers took place on 23 February 2015.

Whilst completion of the acquisition of Go Group and the issue of offer shares has occurred, on 25 February 2015 ASX advised the Company that it was yet to meet all of the conditions for ASX to reinstate the Company's shares to quotation. As a result the Company has applied to ASIC for relief of certain requirements under the Corporations Act. The Company is currently working with ASIC and ASX to satisfy conditions for reinstatement. Pending reinstatement to quotation, the Company's shares will remain suspended.

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 on the following page.

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

On behalf of the directors



Brian Thomas
Chairman

5 March 2015
Perth

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Solco Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
5 March 2015



M R W Ohm
Partner

Solco Limited**Condensed consolidated statement of profit or loss and other comprehensive income****For the half-year ended 31 December 2014**

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Continuing operations		
Revenue	44,712	2,419,526
Cost of sales	(120,535)	(1,967,113)
Gross (loss)/profit	(75,823)	452,413
Other income	31,785	33,221
Expenses		
Employee benefit expenses	(68,498)	(823,139)
Research and development expenses	-	(219)
Advertising expenses	-	(105,506)
Company overhead expenses	(307,495)	(656,808)
Allowance for bad and doubtful debts	(28,713)	37,839
Depreciation and amortisation expenses	-	(13,817)
Finance costs	(3,146)	(7,581)
Write off of assets	-	(19,914)
Loss before income tax expense	(451,890)	(1,103,511)
Income tax expense	-	-
Net loss for the period	(451,890)	(1,103,511)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	(451,890)	(1,103,511)
	Cents	Cents
Basic and diluted loss per share	(0.22)	(0.54)

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

Solco Limited
Condensed consolidated statement of financial position
As at 31 December 2014

		Consolidated	
	Note	31 Dec 2014	30 Jun 2014
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,301,563	1,242,176
Trade and other receivables		576,790	1,013,379
Inventories		-	20,000
Other assets		210,610	63,651
Total current assets		<u>2,088,963</u>	<u>2,339,206</u>
Non-current assets			
Property, plant and equipment		-	24,106
Total non-current assets		<u>-</u>	<u>24,106</u>
Total assets		<u>2,088,963</u>	<u>2,363,312</u>
Liabilities			
Current liabilities			
Trade and other payables		136,466	370,440
Provisions		179,961	220,464
Total current liabilities		<u>316,427</u>	<u>590,904</u>
Non-current liabilities			
Provisions		107,718	137,882
Total non-current liabilities		<u>107,718</u>	<u>137,882</u>
Total liabilities		<u>424,145</u>	<u>728,786</u>
Net assets		<u>1,664,818</u>	<u>1,634,526</u>
Equity			
Issued capital	3	20,311,977	19,829,795
Reserves		94,000	94,000
Accumulated losses		(18,741,159)	(18,289,269)
Total equity		<u>1,664,818</u>	<u>1,634,526</u>

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

Solco Limited
Condensed consolidated statement of changes in equity
As at 31 December 2014

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	19,829,795	94,000	(18,289,269)	1,634,526
Loss after income tax expense for the half-year	-	-	(451,890)	(451,890)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(451,890)	(451,890)
<i>Transactions with owners in their capacity as owners:</i>				
Entitlement offer shares allocation (unissued)	482,182	-	-	482,182
Balance at 31 December 2014	20,311,977	94,000	(18,741,159)	1,664,818

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013	19,829,795	96,859	(15,915,041)	4,011,613
Loss after income tax expense for the half-year	-	-	(1,103,511)	(1,103,511)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,103,511)	(1,103,511)
<i>Transactions with owners in their capacity as owners:</i>				
TEESS staff share issue	-	46,998	-	46,998
Recognition of share-based payments	-	(65,527)	65,527	-
Balance at 31 December 2013	19,829,795	78,330	(16,953,025)	2,955,100

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

Solco Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2014

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Cash flows from operating activities		
Receipts from customers	636,642	2,898,435
Payments to suppliers	(796,772)	(3,889,960)
Interest and other costs of finance paid	(2,758)	(3,627)
Interest received	11,150	22,289
Net cash used in operating activities	(151,738)	(972,863)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	24,450	-
Payment for intangible assets	-	(50,000)
Payments for property, plant and equipment	-	(3,397)
Net cash from/ (used in) investing activities	24,450	(53,397)
Cash flows from financing activities		
Proceeds from entitlement offer (unissued)	350,500	-
Payments for share capital raising costs	(163,825)	-
Net cash from financing activities	186,675	-
Net increase/ (decrease) in cash and cash equivalents	59,387	(1,026,260)
Cash and cash equivalents at the beginning of the financial half-year	1,242,176	2,328,351
Cash and cash equivalents at the end of the financial half-year	<u>1,301,563</u>	<u>1,302,091</u>

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

Note 1. General information

The financial report covers Solco Limited as a consolidated entity consisting of Solco Limited and the entities it controlled during the period.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Solco 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

c:/ Nexia Perth
Level 3, 88 William Street
Perth, WA, 6000

Principal place of business

Suite 7.04 6a Glenn Street
Milsons Point NSW 2061

The financial report was authorised for issue in accordance with a resolution of directors on 5 March 2015.

Note 2. Significant accounting policies

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 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 condensed consolidated general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual report for the year ended 30 June 2014 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 and the ASX Listing Rules.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The financial report is presented in Australian dollars, which is Solco Limited's functional and presentation currency.

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

Accounting policies and methods of computation

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

Significant accounting judgments and key estimates

The preparation of 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 Group'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 2014.

Note 3. Share capital

	Consolidated	
	31 Dec 2014 \$	30 Jun 2014 \$
Ordinary shares - issued	19,829,795	19,829,795
Ordinary shares - unissued	482,182	-
	20,311,977	19,829,795

	6 months to 31 Dec 2014		12 months to 30 June 2014	
	No.	\$	No.	\$
Ordinary shares – issued				
Balance at beginning of period	205,100,124	19,829,795	205,100,124	19,829,795
Movement	-	-	-	-
Balance at end of period	205,100,124	19,829,795	205,100,124	19,829,795

	6 months to 31 Dec 2014		12 months to 30 June 2014	
	No.	\$	No.	\$
Ordinary shares – unissued				
Balance at beginning of period	-	-	-	-
Entitlement Offer Shares (unissued)	24,109,100	482,182	-	-
Balance at end of period	24,109,100	482,182	-	-

On 29 August 2014 the Company announced that, as part of the acquisition of the Go Group of businesses, it will be undertaking a non-renounceable rights issue on the basis of one new share for every existing share held at an issue price of \$0.02 per share to raise up to \$4,102,000, with the offer being underwritten by Urban Group Energy Holdings Pty Ltd for up to \$3,000,000.

At reporting date, and on the basis of the offer being underwritten, the Company recognised validly received share applications relating to the non-renounceable rights issue as unissued ordinary shares. The Company issued a total of 153,000,000 ordinary shares at \$0.02 each on 23 and 24 February 2015 under the underwritten offer raising \$3,060,000 before share issue costs.

Note 4. Contingent liabilities and contingent assets

In the opinion of the directors, there were no contingent assets or liabilities as at 31 December 2014 and no contingent assets or liabilities were incurred in the interval between the period end and the date of this financial report.

Note 5. Financial Instruments

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Note 6. Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital.

Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker.

During the half-year period the Company continued its assessment of merger and/or business acquisition opportunities in Australia, resulting in the acquisition of certain companies and businesses as highlighted in Note 7 below.

The revenues and results of this segment are those of the Company as a whole and are set out in the statement of comprehensive income. The segment assets and liabilities of this segment are those of the Company and are set out in the statement of financial position.

Note 7. Events after the reporting period

On 23 February 2015 the Company successfully completed the acquisition of a collective group of companies and businesses referred to as the "Go Group of businesses" from Urban Group Energy Holdings Pty Ltd. As part of this transaction the Company issued 627,606,378 ordinary shares to the vendors of those companies and businesses. (Full details of the transaction can be found in the ASX announcements made by the Company on 29 August 2014, 29 October 2014 and 26 November 2014).

The Company also issued a further 153,000,000 ordinary share on 23 and 24 February 2015 at \$0.02 each raising \$3,060,000 before share issue costs under its underwritten non-renounceable rights issue offer.

On 23 February 2015 Mr David Richardson resigned as Non-executive chairman of the Company with Messrs Brian Thomas (Non-executive chairman), Adam Pearce (Executive director) and Lui Pangiarella (Non-executive director) appointed to the Board.

On 23 February 2015 the Company executed documentation for two key financing facilities:

- GO energy (a 100% owned subsidiary company) entered into a \$25 million facility with Flexigroup Limited to fund GO energy's solar power plant agreements (PPAs) provided to its commercial customers. GO energy is a leading Australian independent clean technology energy retailer, focused on reducing customers' overheads and reliance on grid energy through the provision of clean technology. This unique and innovative facility enables commercial customers to seamlessly pay for renewable energy generated on their premises through their electricity consumption as an alternative to buying grid electricity.
- CO2Markets (a 100% owned subsidiary company) entered into a new \$5 million facility with ANZ to fund the working capital requirements for its renewable energy certificates aggregation business. CO2Markets assists both businesses and individuals across Australia to monetise the value of renewable energy certificates which they receive from the Clean Energy Regulator for the installation of renewable energy generation.

On 25 February 2015 ASX advised the Company that it was yet to meet all of the conditions for ASX to reinstate the Company's shares to quotation. As a result the Company has applied to ASIC for relief of certain requirements under the Corporations Act. The Company expects to shortly lodge a supplementary prospectus and will give persons issued shares under the non-renounceable rights issue offer an opportunity to be repaid subscription amounts paid. Sufficient funds have been set aside to meet any requests for repayment. Urban Group Energy Holdings Pty Limited, Wytown Pty Limited and Ms Diana House, who together have subscribed for 120 million shares or \$2.4 million under the shortfall offer, have, as a sign of their support for the Company, elected to affirm the issue of shortfall shares to them and will not be repaid their subscription amounts. Urban Group has also confirmed its commitment to underwrite the shortfall offer for \$3 million. The Company is currently working with ASIC and ASX to satisfy conditions for reinstatement. Pending reinstatement to quotation, the Company's shares will remain suspended.

Other than identified above, no other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
2. 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



Brian Thomas
Chairman

5 March 2015
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Solco Limited

Report on the Condensed Consolidated Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Solco Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 2014 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 the company, 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*.

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

- a) giving a true and fair view of the group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants



M R W Ohm
Partner

Perth, Western Australia
5 March 2015