

# **Endless Solar Corporation Limited**

**ABN 51 122 708 061**

**Interim Report - 31 December 2020**

**Endless Solar Corporation Limited**  
**Corporate directory**  
**31 December 2020**

Directors	Mr. David H Craig – Chairman and Executive Director Mr. Chris Baring-Gould – Non Executive Director Ms Cathy Lin - Non Executive Director Mr Ron Hayward – Non-Executive Director
Company Secretary	Mr. Mark Licciardo Mertons Corporate Services Pty Ltd Level 7/330 Collins St, Melbourne VIC 3000
Registered office	555 Old Moorooduc Road Tuerong VIC 3915
Principal place of business	555 Old Moorooduc Road Tuerong VIC 3915
Share register	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000
Auditor	George Georgiou FCA Connect National Audit - ASIC Authorised Audit Company No. 521888 Level 8, 350 Collins Street MELBOURNE VIC 3000
Website	<a href="http://www.endless-solar.com.au">www.endless-solar.com.au</a>
Stock exchange listing	Endless Solar Corporation Limited ordinary limited voting shares are listed on the National Stock Exchange

**Endless Solar Corporation Limited**  
**Directors' report**  
**31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Endless Solar Corporation 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 2020.

**Directors**

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

Mr. David H Craig – Chairman and Executive Director  
Mr Ron Hayward – Non-Executive Director (appointed 27 January 2021)  
Mr. Chris Baring-Gould – Non-Executive Director  
Ms Cathy Lin – Non-Executive Director

**Principal activities**

The principal activities of the consolidated entity during the course of the financial year was research and development activities. No significant changes have occurred in the nature of these activities during the financial year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$88,846 (31 December 2019: \$178,102).

**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.

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



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David Craig

30 March 2021

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Endless Solar Corporation Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Endless Solar Corporation Limited.



**George Georgiou FCA**  
Managing Partner  
Connect National Audit Pty Ltd  
ASIC Authorised Audit Company No.: 521888  
Melbourne, Victoria  
30 March 2021

## **Endless Solar Corporation Limited**

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### **General information**

The financial statements cover Endless Solar Corporation Limited as a consolidated entity consisting of Endless Solar Corporation 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 Endless Solar Corporation Limited's functional and presentation currency.

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

555 Old Moorooduc Road  
Tuerong VIC 3915

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 30 March 2021.

**Endless Solar Corporation Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

	<b>Note</b>	<b>Consolidated Dec 2020 \$</b>	<b>Dec 2019 \$</b>
<b>Revenue</b>	2	-	186,656
Other income	3	74,481	-
<b>Expenses</b>			
Administration expenses		(163,327)	(85,088)
Fair value loss on financial assets		-	(279,670)
<b>Loss before income tax expense</b>		(88,846)	(178,102)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Endless Solar Corporation Limited</b>		(88,846)	(178,102)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Endless Solar Corporation Limited</b>		<u>(88,846)</u>	<u>(178,102)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.22)	(0.45)
Diluted earnings per share		(0.22)	(0.45)

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

**Endless Solar Corporation Limited**  
**Statement of financial position**  
**As at 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>Dec 2020</b>	<b>Jun 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		94,976	398
Trade and other receivables		11,000	11,000
Total current assets		<u>105,976</u>	<u>11,398</u>
<b>Non-current assets</b>			
Receivables		14,740	-
Financial assets at fair value through the profit and loss	4	206,700	170,500
Intangibles	5	2,255,314	2,562,857
Total non-current assets		<u>2,476,754</u>	<u>2,733,357</u>
<b>Total assets</b>		<u>2,582,730</u>	<u>2,744,755</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		208,894	320,359
Borrowings	6	24,049	24,049
Total current liabilities		<u>232,943</u>	<u>344,408</u>
<b>Non-current liabilities</b>			
Borrowings	7	1,707,896	1,669,610
Total non-current liabilities		<u>1,707,896</u>	<u>1,669,610</u>
<b>Total liabilities</b>		<u>1,940,839</u>	<u>2,014,018</u>
<b>Net assets</b>		<u>641,891</u>	<u>730,737</u>
<b>Equity</b>			
Issued capital		2,278,627	2,278,627
Accumulated losses		<u>(1,636,736)</u>	<u>(1,547,890)</u>
<b>Total equity</b>		<u>641,891</u>	<u>730,737</u>

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

**Endless Solar Corporation Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	2,278,627	(1,245,066)	1,033,561
Loss after income tax expense for the half-year	-	(178,102)	(178,102)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(178,102)	(178,102)
Balance at 31 December 2019	<u>2,278,627</u>	<u>(1,423,168)</u>	<u>855,459</u>
	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	2,278,627	(1,547,890)	730,737
Loss after income tax expense for the half-year	-	(88,846)	(88,846)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(88,846)	(88,846)
Balance at 31 December 2020	<u>2,278,627</u>	<u>(1,636,736)</u>	<u>641,891</u>

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



**Endless Solar Corporation Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2020**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Dec 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	-	56,800
Payments to suppliers and employees (inclusive of GST)	(236,506)	(66,300)
	(236,506)	(9,500)
Refund of rental deposits	-	65,693
R&D tax offset	38,281	-
Net cash from/(used in) operating activities	(198,225)	56,193
<b>Cash flows from investing activities</b>		
Payments for intangibles	(73,690)	(154,300)
R&D tax offset received	381,233	-
Net cash from/(used in) investing activities	307,543	(154,300)
<b>Cash flows from financing activities</b>		
Receipt of loans from related parties	-	178,730
Advanced to related party	(14,740)	-
Repayment of borrowings	-	(71,673)
Net cash from/(used in) financing activities	(14,740)	107,057
Net increase in cash and cash equivalents	94,578	8,950
Cash and cash equivalents at the beginning of the financial half-year	398	1,092
Cash and cash equivalents at the end of the financial half-year	<u>94,976</u>	<u>10,042</u>

*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 2020 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 2020 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.

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

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

**Going concern**

The directors have prepared a cash flow which indicates that the company has sufficient funds to continue in the foreseeable future. These assumptions are based on certain economic and operating assumptions about future events and actions that have not yet occurred, and may not necessarily occur. Directors are confident that if necessary they will be able to raise sufficient capital to enable the continuation of operations until investment returns reach a volume to ensure a return to profitability and positive cash flows.

A director of the company has also issued a letter of financial support to the company for a period in excess of 12 months from the signing of the financial statements.

**Note 2. Revenue**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Dec 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Sales of goods	-	9,091
<i>Other revenue</i>		
Other revenue	-	177,565
Revenue	-	186,656

**Endless Solar Corporation Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 3. Other income**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Dec 2019</b>
	<b>\$</b>	<b>\$</b>
Net fair value gain on financial assets	36,200	-
Government grants	38,281	-
	<u>74,481</u>	<u>-</u>
Other income	<u>74,481</u>	<u>-</u>

During the current financial half-year the company lodged and received returns for R&D tax offset relating to the 2019 and 2020 financial years.

**Note 4. Non-current assets - financial assets at fair value through the profit and loss**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Financial assets at fair value through profit or loss	206,700	170,500

A fair value gain of \$36,200 has been recognised in the current period. This has been calculated based on the consolidated entity's share of the net tangible assets of the companies in which the investments are held.

**Note 5. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Development - at cost	1,785,742	2,102,811
Patents and trademarks - at cost	469,572	460,046
	<u>2,255,314</u>	<u>2,562,857</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Patents & trademarks	Development	Total
	\$	\$	\$
<b>Consolidated</b>			
Balance at 1 July 2020	460,046	2,102,811	2,562,857
Additions	9,526	64,164	73,690
R&D tax offset	-	(381,233)	(381,233)
	<u>469,572</u>	<u>1,785,742</u>	<u>2,255,314</u>
Balance at 31 December 2020	<u>469,572</u>	<u>1,785,742</u>	<u>2,255,314</u>

During the current financial half-year the company lodged and received returns for R&D tax offset relating to the 2019 and 2020 financial years.

**Endless Solar Corporation Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 6. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Loan from related parties	<u>24,049</u>	<u>24,049</u>

**Note 7. Non-current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>Dec 2020</b>	<b>Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Unsecured loan from directors	1,570,691	1,532,405
Unsecured loan from related party	<u>137,205</u>	<u>137,205</u>
	<u>1,707,896</u>	<u>1,669,610</u>

**Note 8. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 9. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2020 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.

**Endless Solar Corporation Limited**  
**Directors' declaration**  
**31 December 2020**

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 2020 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



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David Craig  
30 March 2021

**Independent Auditor's Review Report**  
**To the members of Endless Solar Corporation Limited**  
**Report on the Half-year Financial Report**

**Conclusion**

We have reviewed the accompanying Half-year Financial Report of Endless Solar Corporation Limited.

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 Endless Solar Corporation Limited is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**The Half-year Financial Report comprises:**

- Statement of financial position as at 31 December 2020;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Half-year ended on that date;
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

**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 Corporations Act 2001
- 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.

**Emphasis of Matter regarding uncertainty related to going concern**

We draw attention to Note 1 of the financial report which describes that the directors have prepared a cash flow which indicates that the company has sufficient funds to continue in the foreseeable future. These assumptions are based on certain economic and operating assumptions about future events and actions that have not yet occurred and may not necessarily occur. Directors are confident that, if necessary, they will be able to raise sufficient capital to enable the continuation of operations until investment returns reach a volume to ensure a return to profitability and positive cash flows. Our opinion is unmodified in respect of this matter.

**Auditor's responsibility 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, 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 company's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Endless Solar Corporation 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.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



**George Georgiou FCA**

Managing Partner

Connect National Audit Pty Ltd

ASIC Authorised Audit Company No.: 521888

Melbourne, Victoria

Date: 30 March 2021