

Erinbar Limited
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ERINBAR LIMITED

(Formerly Australian Zircon NL)
ABN 60 063 389 079

INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED
31 DECEMBER 2019

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DIRECTORS' REPORT

The Directors of Erinbar Limited (formerly Australian Zircon NL) ('the Company') submit their report for the half year ended 31 December 2019.

The names of the Company's Directors in office during the half year ended 31 December 2019 and until the date of this report are as follows.

Jeremy Shervington (Chairman)

Johann Jacobs

Alan Gordon Coulthard

Review of Operations

The Company has in the past and continues to seek opportunities which would enable it to be re-admitted to the Official List of ASX.

Currently the Company is undertaking due diligence on a farm-in arrangement on gold tenements in Ghana. These tenements are situated in the North Western region of Ghana, Africa's largest producer of gold. It is anticipated that the due diligence will be completed in the current half-year.

Financial Position

For the six months ended 31 December 2019, Erinbar Limited recorded a loss of \$96,841. As at 31 December 2019, the Company had cash and cash equivalents of \$12,987. The Company continues to be funded by its two largest shareholders.

Going Concern

The financial statements have been prepared on the basis that the Company will continue to meet its commitments and can therefore continue normal business activities and realise assets and settle liabilities in the ordinary course of business at the amounts stated in these financial statements.

At the date of signing the Financial Report, the Directors consider there are reasonable grounds to believe that the Company can meet its debts as and when they fall due.

Events subsequent to reporting date

In the opinion of the Directors there has not arisen in the interval between the end of the half year at 31 December 2019 and the date of this report, any matter or circumstance that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Signed in accordance with a resolution of the Directors.



J D Shervington
Chairman
Perth, 13 March 2020

Auditor's Independence Declaration

To those charged with the governance Erinbar Limited

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

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

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

13 March 2020
Perth

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Note	31 Dec 2019 \$	31 Dec 2018 \$
Other income		5	3,552
Other expenses		(96,846)	(10,235)
Loss before income tax		(96,841)	(6,683)
Income tax expense		-	-
Loss after income tax for the period		(96,841)	(6,683)
Other comprehensive loss for the period		-	-
Total comprehensive loss for the period attributable to members of the Company		(96,841)	(6,683)
Earnings (loss) per share			
Basic earnings (loss) per share (cents)		(0.97)	(0.07)
Diluted earnings (loss) per share (cents)		(0.97)	(0.07)

The interim statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes

INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 Dec 2019 \$	30 June 2019 \$
Assets			
Cash and cash equivalents		12,987	7,536
Trade and other receivables	6	24	-
Total current assets		13,011	7,536
Property, plant and equipment		-	-
Total non-current assets		-	-
Total assets		13,011	7,536
Liabilities			
Trade & other payables	7	1,500	-
Loans payable	7	97,056	-
Total current liabilities		98,556	-
Total liabilities		98,556	-
Net assets		(85,545)	7,536
Equity			
Issued capital	8	2,003,484	1,999,724
Accumulated losses		(2,089,029)	(1,992,188)
Total equity		(85,545)	7,536

The interim statement of financial position is to be read in conjunction with the accompanying notes

INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Issued capital	Share Based Payments Reserve	Accumulated losses	Total
	\$	\$	\$	\$
For the six months ended 31 December 2019				
Opening balance at 1 July 2019	1,999,724	-	(1,992,188)	7,536
33,333 shares issued on 19 December 2019	4,000	-	-	4,000
Cost of raising capital	(240)	-	-	(240)
Total comprehensive loss of the period	-	-	(96,841)	(96,841)
Balance as at 31 December 2019	2,003,484	-	(2,089,029)	(85,545)
For the six months ended 31 December 2018				
Opening balance at 1 July 2018	1,999,724	-	(1,979,808)	19,916
Total comprehensive loss of the period	-	-	(6,683)	(6,683)
Balance as at 31 December 2018	1,999,724	-	(1,986,491)	13,233

The interim statement of changes in equity is to be read in conjunction with the accompanying notes.

INTERIM STATEMENT OF CASHFLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Note	31 Dec 2019 \$	31 Dec 2018 \$
Cash flows from operating activities		
Other income received	-	3,500
Cash paid to suppliers and employees	(93,290)	(12,319)
Interest received	5	52
GST received / (paid)	(24)	401
Net cash used in/provided by operating activities	(93,309)	(8,366)
Cash flows from financing activities		
Proceeds from borrowings	95,000	-
Proceeds from issue of shares (net of costs)	3,760	-
Net cash used in/provided by operating activities	98,760	-
Net decrease in cash and cash equivalents	5,451	(8,366)
Cash and cash equivalents at the beginning of the period	7,536	21,599
Cash and cash equivalents at the end of the period	12,987	13,233

The interim statement of cash flows is to be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Reporting entity

Erinbar Limited (the Company) is a company domiciled and incorporated in Australia. The address of the Company's registered office is 52 Ord Street, P.O. Box 424 West Perth WA 6872

The Company is currently seeking opportunities to re-establish its operations in the exploration or commercial sectors of business.

2. Statement of compliance

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

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Company for the year ended 30 June 2019.

This interim financial report was approved by the Board of Directors on 13 March 2020.

3. Significant accounting policies

This interim financial report has been prepared on an accruals and historical cost basis.

This interim financial report has been prepared on the going concern basis that contemplates normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

A number of new or amended standards became applicable for the current reporting period.

The new standards did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. As a result of this review the Directors have determined that there is no impact, material or otherwise, of these new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

AASB 16 Leases

Change in accounting policy

The Company has adopted AASB 16 Leases from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (lease payments) and removes the former distinction between 'operating' and 'finance' leases. The exceptions are short-term leases and leases of low value assets.

The Company has adopted AASB 16 using the modified retrospective approach under which the reclassifications and adjustments arising from the new leasing rules are recognised in the opening statement of financial position on 1 July 2019. There is no initial impact on accumulated losses under this approach and comparatives have not been restated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

From 1 July 2019, where the Company is lessee, the Company recognises a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Company currently has no significant lease agreement.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received, and any initial direct costs.

Where the terms of a lease require the Company to restore the underlying asset, or the Company has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Where leases have a term of less than 12 months or relate to low value assets the Company may apply exemptions in AASB 16 to not capitalise any such leases and instead recognise the lease payments on a straight-line basis as an expense in profit or loss.

4. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Although the Company believes that the statements, estimations, projections, beliefs and opinions reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results and outcomes will be consistent with these forward-looking statements.

In preparing this interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report as at and for the year ended 30 June 2019.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5. Going concern

As at 31 December 2019, the Company had net liabilities of \$85,545 and is considered by directors as being a going concern.

The directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due for the next 12 months is dependent on the ability of the Company to secure additional funding.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will be successful in securing additional funds as and when the need to raise working capital arises.

However, should the Company be unable to obtain sufficient funding as advised above, there is a material uncertainty which may cast doubt as to whether or not the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business, and at the amount stated in these financial statements.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

6. Trade and other receivables

	31 Dec 2019	30 June 2019
	\$	\$
Trade receivables	-	-
Other receivables	24	-
Total trade and other receivables	24	-

7. Trade and other payables

	31 Dec 2019	30 June 2019
	\$	\$
Trade payables	1,500	-
Loan payable	97,056	-
Total trade and other payables	98,556	-

During the interim six-month period ending 31 December 2019, two of the Company's directors have provided loan funding to the Company. As at 31 December 2019 Messrs Shervington and Jacobs have loaned amounts of \$40,000 and \$55,000, respectively.

These loans and any future amounts loaned, are repayable on demand once the next equity raising by the Company has occurred and attract an interest rate of 8% per annum, accruing and compounding monthly in arrears, with the interest payable at the time of principal repayment. Loan amounts are convertible to equity at the election of the lenders on terms agreed by negotiation with the Company.

As at 31 December 2019, the interest accrued on the loans provided by Messrs Shervington and Jacobs were \$882 and \$1,174, respectively.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8. Share capital

Issued Capital

Movement in ordinary shares

	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019
	No.	No.	\$	\$
Fully paid:				
On issue at end of period	10,031,953	9,998,620	2,003,724	1,999,724
Capital raising costs			(240)	-
		Total	2,003,484	1,999,724

During the interim six-month period ending 31 December 2019, 33,333 shares were issued to Harvester Consulting Group Pty Ltd at a price of 12 cents per share, in return for an investment in the Company of \$4,000. Payment of this investment was received on 19 December 2019.

9. Events subsequent to Balance Date

In the opinion of the Directors, there has not arisen in the interval between the end of the half-year, and the date of this report, any matter or circumstance that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

10. Contingent liabilities & assets

There are no material contingent liabilities or assets as at this reporting period.

11. Commitments and Contingencies

Since 31 December 2019 the Directors are not aware of any other matter or circumstances that has significantly or may significantly affect the commitments and contingencies rather than those disclosed in the December 2019 interim financial report.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Erinbar Limited, I state that:

1. In the opinion of the Directors:

- (a) The financial statements, notes and the additional disclosures included in the Directors' report designated as audit reviewed are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Company's financial position as at 31 December 2019 and of the Company's performance for the six months ended on that date;
 - (ii) Complying with Accounting Standards and *Corporations Regulations 2001*, which as stated in Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards.
- (b) there are reasonable grounds to believe that the Company will be able to pay all of its debts as and when they become due and payable

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

On behalf of the Board.



J D Shervington

Chairman

Perth, 13 March 2020

Independent Auditor's Review Report

To the members of Erinbar Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Erinbar Limited (the "Company"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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.

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 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 2019 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 Erinbar 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*.

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

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

Emphasis of matter - Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 5 to the financial statements which outlines that the ability of the Company to continue as a going concern is dependent on the Company securing additional funding.

As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

13 March 2020
Perth

CONTACT

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