Half Yearly Report

Name of *issuer*

ENDLESS SOLAR CORPORATION LIMITED

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('Current period')
122 708 061	✓		**31ST DECEMBER 2013**

For announcement to the market

Extracts from this statement for announcement to the market *(see note 1)*.

				$A,000
Revenue *(item 1.1)*	N/A	%	to	568
Profit for the period *(item 1.9)*	N/A	%	to	33
Profit (loss) for the period attributable to security holders *(item 1.11)*	N/A	%	to	33

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

The company was listed on the NSX on 21st January 2014. The company's annual reports have been audited. However, this year is the first year the company has prepared a half year report. The auditor has undertaken a preliminary review of this half year report.

Endless Solar does not propose to pay a dividend for the half year ended 31 December 2013.

Also, please find following ESC Director's Report.

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Endless Solar Corporation Limited
A.B.N. 51 122 708 061
Level 10, 406 Collins Street
Melbourne VIC 3000
Tel: 03 9600 3242
Fax: 03 9600 3245
www.endless-solar.com

18 March 2014

National Stock Exchange of Australia
Level 2, 117 Scott Street
Newcastle NSW 2300

Director's Report

The Directors of Endless Solar Corporation Limited are pleased to report the company made a consolidated profit of $34,000 for the half year to December 31st 2013.

a. During this half year period the company's sales and installation operations improved significantly compared to the results of the previous corresponding period.

b. During the 2014 financial year, ESC's 4 Patent Co-operation Treaties (PCT's) have been reviewed by independent examiners who have stated that all four patents are novel and innovative.

c. Also research regarding the mass production of a key component of "Cool Solar" has resulted in a provisional patent concerning this manufacturing process being lodged.

d. During the period, a 1:5 Rights Issue at 10c per share with an attached option was fully subscribed.

Events subsequent to the half year:

a. Mr. Kevin Thomas, a Director and Company Secretary, has resigned. Ms Cathy Lin has been appointed Company Secretary.

b. On 21 January 2014, ESC was listed on the National Stock Exchange of Australia (NSXA).

On behalf of the Board

Cathy Lin

Company Secretary

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(In accordance with paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

		Current period $A'000	Previous corresponding period $A'000
1.1	Revenues *(item 7.1)*	568	---
1.2	Expenses, excluding finance costs *(item 7.2)*	(535)	---
1.3	Finance costs	---	---
1.4	Share of net profits (losses) of associates and joint ventures *(item 15.7)*	---	---
1.5	**Profit (loss) before income tax**		
1.6	Income tax expense *(see note 4)*	---	---
1.7	Profit (loss) from continuing operations	33	---
1.8	Profit (loss) from discontinued operations *(item 13.3)*	---	---
1.9	**Profit (loss) attributable to security holders for the period**	33	---
1.10	Basic earnings per *security (item 9.1)*	0.000855	---
1.11	Diluted earnings per *security (item 9.1)*	0.000855	---
1.12	Distibution per *security (item 9.1)*	---	---

Comparison of half-year profits

(Preliminary final statement only)

		Current period - $A'000	Previous corresponding period - $A'000
2.1	Consolidated profit (loss) after tax attributable to security holders reported for the 1st half year *(item 1.11* in the half yearly statement)	N/A	---
2.2	Consolidated profit (loss) after tax attributable to security holders for the 2nd half year	N/A	---

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

	Current assets	Current period - $A'000	Previous corresponding period - $A'000
3.1	Cash and cash equivalents	384	---
3.2	Trade and other receivables	282	---
3.3	Inventories	212	---
3.4	Other current assets (provide details if material)	49	---
3.5	**Total current assets**	928	---
	Non-current assets		
3.6	Available for sale investments	---	---
3.7	Other financial assets	---	---
3.8	Investments in associates	503	---
3.9	Deferred tax assets	---	---
3.10	Exploration and evaluation expenditure capitalised *(see para. 71 of AASB 1022 – new standard not yet finalised)*	---	---
3.11	Development properties *(mining entities)*	---	---
3.12	Property, plant and equipment (net)	58	---
3.13	Investment properties		
3.14	Goodwill	122	---
3.15	Other intangible assets	1,437	---
3.16	Other (provide details if material)	30	---
3.17	**Total non-current assets**	2,150	---
3.18	**Total assets**	3,078	---
	Current liabilities		
3.19	Trade and other payables	195	---
3.20	Short term borrowings	1	---
3.21	Current tax payable	---	---
3.22	Short term provisions	104	---
3.23	Current portion of long term borrowings	---	---
3.24	Other current liabilities (provide details if material)	---	---
		302	
3.25	Liabilities directly associated with non-current assets classified as held for sale *(para 38 of AASB 5)*	---	---
3.26	**Total current liabilities**	302	---
	Non-current liabilities	302	---

		Current period - $A'000	Previous corresponding period - $A'000
3.27	Long-term borrowings	---	---
3.28	Deferred tax liabilities	---	---
3.29	Long term provisions	---	---
3.30	Other (provide details if material)	---	---
3.31	**Total non-current liabilities**	---	---
3.32	**Total liabilities**	302	---
3.33	**Net assets**	2,776	---
	Equity		
3.34	Share capital	2,155	---
3.35	Other reserves	24	---
3.36	Retained earnings	597	---
3.37	**Total equity**	2,776	---

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

		Current period – A$'000	Previous corresponding period – A$'000
	Revenues recognised directly in equity:	568	---
	Expenses recognised directly in equity:	535	---
4.1	**Net income recognised directly in equity**	33	---
4.2	**Profit for the period**	33	---
4.3	**Total recognised income and expense for the period** Attributable to the parent entity	33	---
4.4	**Effect of changes in accounting policy** *(as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors)*:	---	---

Consolidated statement of cash flows
(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period - $A'000	Previous corresponding period - $A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	443	---
5.2	Payments to suppliers and employees	(668)	---
5.3	Interest and other costs of finance paid	---	---
5.4	Income taxes paid	---	---
5.5	Other (provide details if material)	---	---
5.6	**Net cash used in operating activities**	(227)	---
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(100)	---
5.8	Proceeds from sale of property, plant and equipment	---	---
5.9	Payment for purchases of equity investments	---	---
5.10	Proceeds from sale of equity investments	---	---
5.11	Loans to other entities	---	---
5.12	Loans repaid by other entities	---	---
5.13	Interest and other items of similar nature received	---	---
5.14	Dividends received	---	---
5.15	Other (provide details if material)	---	---
5.16	**Net cash used in investing activities**	(100)	---
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	453	---
5.18	Proceeds from borrowings	---	---
5.19	Repayment of borrowings	(75)	---
5.20	Distibutions paid	---	---
5.21	Other (provide details if material)	---	---
5.22	**Net cash used in financing activities**	378	---
	Net increase (decrease) in cash and cash equivalents		
5.23	Cash at beginning of period (*see Reconciliations of cash*)	333	---
5.24	Exchange rate adjustments to item 5.23	N/A	---
5.25	**Cash at end of period** (*see* Reconciliation of cash)	384	---

_Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period $A'000	Previous corresponding period $A'000
6.1	**Profit** *(item 1.9)*	33	---
	Adjustments for:		
6.2	Depreciation	4	---
6.3	Amortization	---	---
6.4	Impairment of assets	---	---
6.5	Increase/decrease in receivables	(40)	---
6.6	Increase/decrease in payables	22	---
6.7	Increase/decrease in inventory	(70)	---
6.8	Increase/decrease in provisions and others	(25)	---
6.9	Increase/decrease in others	---	
6.10	**Net cash from operating activities** *(item 5.6)*	(76)	---

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - $A'000	Previous corresponding period - $A'000
	Revenue	568	---
7.1	Total Revenue	568	---
	Expenses	(535)	---
7.2	Total Expenses	(535)	---
	Profit (loss) before tax	33	---

Ratios

		Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax *(item 1.5)* as a percentage of revenue *(item 1.1)*	5.80%	---
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to security holders *(item 1.11)* as a percentage of equity (similarly attributable) at the end of the period *(item 3.37)*	5.80%	---

Comments by *directors*

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations *(as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)*

N/A

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

   Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement does give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

   ☐ The financial statements have been audited.

   ✓ The financial statements have been subject to review by a registered auditor (or overseas equivalent).

   ☐ The financial statements are in the process of being audited or subject to review.

   ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not

attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The *issuer* has a formally constituted audit committee.

Sign here: Date: 18 March 2014

(Company secretary)

Print name: Cathy Lin

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.

2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated statement of financial performance**

   Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*

   Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5.* Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9.*

5. **Consolidated statement of financial position**

   Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting, and AASB 101: Presentation of Financial Statements.* Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

   Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment.* If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements. Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107.*

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security.*

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution

for each gain or loss that increased or decreased the *issuer*'s consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.

10. **Rounding of figures** This statement anticipates that the information required is given to the nearest $1,000. However, an *issuer* may report exact figures, if the $A'000 headings are amended. If an *issuer* qualifies under *ASIC* Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest $100,000, if the $A'000 headings are amended.

11. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 101: Presentation of Financial Statements* or *AASB 134: Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.

12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the *ASIC* under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors*' report and declaration, if lodged with the *ASIC*, must be given to the *Exchange*.

13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.

14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.

15. **Details of expenses** *AASB 101: Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

    The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

    Relevant items *AASB 101: Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant,* as defined in *AASB 101,* in explaining the financial performance of the *issuer*. There is an equivalent requirement in *AASB 134: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A$, all references to $A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3

Endless Solar Corporation Limited
A.B.N. 51 122 708 061
Level 10, 406 Collins Street
Melbourne VIC 3000
Tel: 03 9600 3242
Fax: 03 9600 3245
www.endless-solar.com

Directors' Declaration

In the opinion of the directors of Endless Solar Corporation Limited ("the Company")

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   a. Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2013 and its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and

   b. Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001;* 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 on behalf of the directors, in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

D.H.A.Craig
Director

Dated the 18th day of March 2014
Melbourne

JOHN WHELLER, F.C.A.
CHARTERED ACCOUNTANT

Auditor's Independence declaration
To the Directors of Endless Solar Corporation Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Endless Solar Corporation Limited.

As lead audit partner for the review of the financial statements of Endless Solar Corporation Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

TWB Chartered Accountants

John Wheller

Dated this 18th day of March 2014

Melbourne

Registered Company Auditor No.9003

PO Box 933, Carnegie Vic 3163
1190 Dandenong Road, Murrumbeena Vic 3163

Tel: +61 3 9568 0188 Fax: +61 3 9569 6265
Email: twb@twb.com.au Web: www.twb.com.au

ENDLESS SOLAR CORPORATION LIMITED & CONTROLLED ENTITIES
ABN: 51 122 708 061
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Note	31-Dec-13	30-Jun-13
		$	$
Sales Revenue		379,165	540,719
Cost of Sales		(159,242)	(321,885)
Gross Profit		219,923	218,834
Other income		189,815	522,633
Administration expenses		(371,945)	(488,701)
Depreciation Expense		(4,307)	(14,682)
Finance costs		(488)	(1,732)
Other expenses		-	-
Net (Loss) / Profit before income tax		32,999	236,352
Income tax benefit		-	(85,369)
Net (Loss) / Profit for the year		32,999	150,983
Other comprehensive income:			
Gain on investment revaluation		-	114,000
Total comprehensive income for the year		32,999	264,983

The accompanying notes form part of these financial statements.

ENDLESS SOLAR CORPORATION LIMITED & CONTROLLED ENTITIES
ABN: 51 122 708 061
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	31-Dec-13 $	30-Jun-13 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		384,612	333,413
Trade and other receivables		281,961	253,429
Inventories		212,497	142,165
Other assets		49,014	17,275
TOTAL CURRENT ASSETS		928,084	746,282
NON-CURRENT ASSETS			
Trade and other receivables		30,595	69,344
Other financial assets		503,560	503,560
Property, plant and equipment		58,172	63,404
Deferred tax assets		-	21,910
Intangible assets		1,557,853	1,467,872
TOTAL NON-CURRENT ASSETS		2,150,180	2,126,090
TOTAL ASSETS		3,078,264	2,872,372
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		195,735	217,907
Borrowings		1,622	17,133
Provisions		104,943	66,532
TOTAL CURRENT LIABILITIES		302,300	301,572
NON-CURRENT LIABILITIES			
Deferred tax liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		302,300	301,572
NET ASSETS		2,775,964	2,570,800
EQUITY			
Issued capital		2,155,027	1,771,775
Reserves		23,584	265,812
Retained earnings		566,212	533,213
TOTAL EQUITY		2,744,822	2,570,800

The accompanying notes form part of these financial statements.

ENDLESS SOLAR CORPORATION LIMITED & CONTROLLED ENTITIES
ABN: 51 122 708 061
STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Ordinary Shares	Retained Earnings	Capital Development Reserve*	Total
	$	$	$	$
Balance at 1 July 2012	1,504,275	268,230	265,812	2,038,317
Comprehensive income				
Profit for the year		150,983	-	150,983
Other comprehensive income for the year		114,000		114,000
Total comprehensive income for the year	-	264,983	-	264,983
Transactions with owners, in their capacity as owners and other transfer				
Shares issued during the year	267,500	-	-	267,500
Total transactions with owners and other	267,500	-	-	267,500
Balance at 30 June 2013	1,771,775	533,213	265,812	2,570,800
Balance at 1 July 2013	1,771,775	533,213	265,812	2,570,800
Comprehensive income				
Profit for the year		32,999	-	32,999
Other comprehensive income for the year		-		-
Total comprehensive income for the year	-	32,999	-	32,999
Transactions with owners, in their capacity as owners and other transfer				
Shares issued during the period	383,252	-	-	383,252
Total transactions with owners and other	383,252	-	-	383,252
Other			(242,229)	
Total Other	-	-	(242,229)	-
Balance at 31 December 2013	2,155,027	566,212	23,583	2,744,822

The accompanying notes form part of these financial statements.

ENDLESS SOLAR CORPORATION LIMITED & CONTROLLED ENTITIES
ABN: 51 122 708 061
STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31-Dec-13 $	30-Jun-13 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from customers	442,866	765,827
Payment to suppliers and employees	(518,866)	(833,269)
Interest received	-	2,509
Grovernment grant received	-	-
Finance costs	-	-
Taxes refund/(paid)	-	11,999
Net cash provided by/(used in) operating activities	(76,000)	(52,934)
CASH FLOWS FROM INVESTING ACTIVITIES		
Government subsidies received	-	275,431
Purchase of property, plant and equipment	-	(43,080)
Payment for rental bond	-	-
Payment for investment in listed companies	-	-
Payment for Research & Development activities	(251,229)	(400,592)
Payment for patents	-	(51,291)
Payment for trademark	-	(6,344)
Net cash provided by/(used in) investing activities	(251,229)	(225,876)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution received	453,428	7,500
Advance payments for proposed Rights Issue	-	260,000
Repayment of borrowings	(75,000)	
Net cash provided by/(used in) financing activities	378,428	267,500
Net increase/(decrease) in cash held	51,199	(11,310)
Cash and cash equivalents at beginning of financial year	333,413	344,723
Cash and cash equivalents at end of financial year	384,612	333,413

The accompanying notes form part of these financial statements.

ENDLESS SOLAR CORPORATIONLIMITED AND CONTROLLED ENTITIES
ABN 51122708061

Notes to the Consolidated Financial Statements
For the Half-Year ended 31 December 2013

Note 1. Statement of Significant Accounting Policies

The half-year financial report is a general purpose financial report prepared in accordance with *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report should be read in conjunction with the 30 June 2013 annual financial report and any public announcements made by ENDLESS SOLAR CORPORATION Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The consolidated interim financial report was approved by the Board of Directors on 18 March 2014.

The half-year report does not include full note disclosures of the type normally included in an annual report

Basis of preparation of half-yearly financial report
The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on fair value consideration given in exchange for assets. These accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous year.

(a) Significant accounting policies
The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last financial statements for the year ended 30 June 2013, except for the application of the following standards as of 1 January 2013:

AASB 10 Consolidated Financial Statements
AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

Note 2. Segment Information

The company and its control entities operate in Australia, and in the same business segment of solar energy.

Notes to the Consolidated Financial Statements
For the Half-Year ended 31 December 2013

Note 3. Dividends

No dividends were paid or declared during the period.

Note 4. Share Capital

During the period the company issued the following ordinary shares:

Ordinary Shares	**Number**	**$**
At the beginning of the financial year	32,162,579	1,504,274
Balance at 31 December 2013	38,595,094	2,155,027

Note 5. Contingent Liabilities

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

ENDLESS SOLAR CORPORATIONLIMITED AND CONTROLLED ENTITIES
ABN 51122708061

Notes to the Consolidated Financial Statement
For the Half-Year ended 31 December 2013

Note 6. Earnings Per Share

	31 Dec 2013 $	31 Dec 2012 $
(a) Reconciliation of earnings to:		
Net profit/(loss) of the economic entity	0.00855	-
Profit/(Loss) used in the calculation of basic earnings per share and diluted earnings per share		

	31 Dec 2013 Number	31 Dec 2012 Number
(b) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	34,306,751	-
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	34,306,751	-

At 31 December 2013, no share options were dilutive and therefore none were included in the calculation of diluted earnings per share at that date.

Note 7. Significant After Balance Date Events

There have been no significant events after balance date.

Note 8. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

JOHN WHELLER, F.C.A.
CHARTERED ACCOUNTANT

Independent auditor's review report
To the members of Endless Solar Corporation Limited

Report on the half –year financial report

We have reviewed the accompanying half-year financial report of Endless Solar Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 gives a true and fair view and 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 consolidated entity's financial position as at 31 December 2013 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 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.

Registered Company Auditor No.9003

PO Box 933, Carnegie Vic 3163
1190 Dandenong Road, Murrumbeena Vic 3163

Tel: +61 3 9568 0188 Fax: +61 3 9569 6265
Email: twb@twb.com.au Web: www.twb.com.au

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

TWB Chartered Accountants

John Wheller
Melbourne
18 March 2014