

SECTION 2A: APPENDIX 3

HALF YEAR REPORT

The following information must be given to NSX under listing rule 6.10

1. Details of the reporting period and the previous corresponding period.
2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
 - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue.
 - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) after income tax
 - 2.3 The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent.
 - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
 - 2.5 The record date for determining entitlements to the dividends (if any).
 - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.
3. Net tangible assets per security with the comparative figure for the previous corresponding period.
4. Details of entities over which control has been gained or lost during the period, including the following.
 - 4.1 Name of the entity.
 - 4.2 The date of the gain or loss of control.
 - 4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
5. Details of individual and total dividends or distributions and dividend or

distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
9. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

Note: The audit report or review must be provided as part of the report

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

PRELIMINARY FINAL REPORT

The following information must be given to NSX under listing rule 6.11

1. Details of the reporting period and the previous corresponding period.
2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
 - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue.
 - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) after income tax.
 - 2.3 The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent.
 - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
 - 2.5 The record date for determining entitlements to the dividends (if any).
 - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is most convenient, eg combined with the body of the report, combined with notes to the accounts, or set out separately.

3. An income statement together with notes to the statement, prepared in compliance with AASB 101: Presentation of Financial Statements and 108: Accounting Policies, Changes in Accounting Estimates and Errors or the equivalent foreign accounting standard.
4. A balance sheet together with notes to the statement prepared in compliance with AASB 101: Presentation of Financial Statements or the equivalent foreign accounting standard. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
5. A statement of changes in equity together with notes to the statement prepared in accordance with AASB 101: Presentation of Financial Statements or the equivalent foreign accounting standard.
6. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107: Cash Flow Statements, or the equivalent foreign accounting

standard.

7. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.
8. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
9. A statement of retained earnings showing movements.
10. Net tangible assets per security with the comparative figure for the previous corresponding period.
11. Details of entities over which control has been gained or lost during the period, including the following.
 - 11.1 Name of the entity.
 - 11.2 The date of the gain or loss of control.
 - 11.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
12. Details of associates and joint venture entities including the following.
 - 12.1 Name of the associate or joint venture entity.
 - 12.2 Details of the reporting entity's percentage holding in each of these entities.
 - 12.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
13. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.
14. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
15. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not

be limited to discussion of the following.

- 15.1 The earnings per security and the nature of any dilution aspects.
 - 15.2 Returns to shareholders including distributions and buy backs.
 - 15.3 Significant features of operating performance.
 - 15.4 The results of segments that are significant to an understanding of the business as a whole.
 - 15.5 A discussion of trends in performance.
 - 15.6 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.
16. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed
- Note: If the accounts have been audited or subject to review, the audit report or review should be provided with the report.
17. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.
18. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

FORM: Half yearly/preliminary final report

Name of *issuer*

ENDLESS SOLAR CORPORATION LIMITED

ACN or ARBN

51 122 708 064

Half yearly
(tick)

√

Preliminary
final (tick)

Half year/financial year ended
(*'Current period'*)

31 DECEMBER 2014

For announcement to the market

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

						\$A,000
Revenue (<i>item 1.1</i>)	up/down	28	%	to		730
Profit (loss) for the period (<i>item 1.9</i>)	up/down	428	%	to		174
Profit (loss) for the period attributable to members of the parent (<i>item 1.11</i>)	up/down	428	%	to		174
Dividends						
Franking rate applicable:						
Final dividend (<i>preliminary final report only</i>)(<i>item 10.13-10.14</i>)						-
Amount per <i>security</i>						-
Franked amount per <i>security</i>						-
Interim dividend (<i>Half yearly report only</i>) (<i>item 10.11 – 10.12</i>)						-
Amount per <i>security</i>						-
Franked amount per <i>security</i>						-
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:						
N/A						

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

(see note 3)

(as per 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 <i>(item 7.1)</i>	730	570
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(552)	(537)
1.3 Finance costs	(3)	
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	
1.5 Profit (loss) before income tax	175	33
1.6 Income tax expense <i>(see note 4)</i>	(1)	-
1.7 Profit (loss) from continuing operations	174	33
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	174	33
1.10 Profit (loss) attributable to minority interests		
1.11 Profit (loss) attributable to members of the parent	174	33
1.12 Basic earnings per security <i>(item 9.1)</i>	0.44339cps	0.09256cps
1.13 Diluted earnings per security <i>(item 9.1)</i>	0.44339cps	0.09256cps
1.14 Dividends per security <i>(item 9.1)</i>	-	-

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 members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	174	33
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	N/A	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	19	384
3.2	Trade and other receivables	400	282
3.3	Inventories	141	212
3.4	Other current assets (provide details if material)	9	49
3.5	Total current assets	569	927
Non-current assets			
3.6	Available for sale investments	825	503
3.7	Other financial assets	70	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	73	-
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)	50	58
3.13	Investment properties	-	-
3.14	Goodwill	122	122
3.15	Other intangible assets	2,042	1,437
3.16	Other (provide details if material)	-	30
3.17	Total non-current assets	3,182	2,150
3.18	Total assets	3,751	3,077
Current liabilities			
3.19	Trade and other payables	101	195
3.20	Short term borrowings	2	2
3.21	Current tax payable	-	-
3.22	Short term provisions	127	104
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		230	301
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	Total current liabilities	230	301
Non-current liabilities		230	301

		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	230	301
3.33	Net assets	3,521	2,776
	Equity		
3.34	Share capital	2,279	2,155
3.35	Other reserves	-	176
3.36	Retained earnings	807	331
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	435	114
3.37	Parent interest		
3.38	Minority interest		
3.39	Total equity	3,521	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:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	174	33
4.3 Total recognised income and expense for the period	174	33
Attributable to:		
4.4 Members of the parent	174	33
4.5 Minority interest	--	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

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	537	443
5.2	Payments to suppliers and employees	(556)	(519)
5.3	Interest and other costs of finance paid	(3)	-
5.4	Income taxes paid	-	-
5.5	Other (provide details if material)	-	-
5.6	Net cash used in operating activities	(22)	(76)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	-	-
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)	-	-
5.15	Research & development	(68)	(90)
5.15	Patent costs	(134)	-
5.16	Net cash used in investing activities	(202)	(90)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	123	217
5.18	Proceeds from borrowings	-	-
5.19	Repayment of borrowings	(19)	-
5.20	Dividends paid	-	-
5.21	Other (provide details if material)	-	-
5.22	Net cash used in financing activities	104	217
	Net increase (decrease) in cash and cash equivalents	(120)	51
5.23	Cash at beginning of period (see Reconciliations of cash)	139	333
5.24	Exchange rate adjustments to item 5.23		
5.25	Cash at end of period (see Reconciliation of cash)	19	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 <i>(item 1.9)</i>	174	33
	Adjustments for:		
6.2	Depreciation	3	4
6.3	Write-off of listing fees	14	
6.4			
6.5	(Increase)/decrease in Trade & Other Receivables	(193)	(40)
6.6	(Increase)/decrease in Inventories	31	(70)
6.7	(Increase)/decrease in Other Assets	9	-
6.8	(Increase)/decrease in Deferred Tax Assets	1	(25)
6.9	Increase/(decrease) in Creditors & Other liabilities & provisions	(62)	22
6.10	Net cash from operating activities <i>(item 5.6)</i>	(22)	(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		
	Sale of goods	295	366
	Consulting	276	-
	Research & Development Grant	155	190
	Other	4	14
7.1	Total Revenue	730	570
	Expenses		
	Cost of sales	(151)	(159)
	Administration & other expenses	(401)	(378)
	Finance expenses	(3)	-
7.2	Total Expenses	(555)	(537)
	Profit (loss) before tax	175	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)	24%	6%
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	5%	1%

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

	31 December: <u>2014</u> Cents per share	<u>2013</u> Cents per share
Basic Earnings per share from continuing operations	0.44339	0.09256
<hr/>		
	<u>31 December</u> <u>2014</u> <u>\$000</u>	<u>31 December</u> <u>2013</u> <u>\$000</u>
Profit for the year attributable to owners and used in the calculation of basic earnings per share	174	33
<hr/>		
	<u>No. of Shares</u>	<u>No. of Shares</u>
Weighted average number of ordinary shares (voting and limited voting)	39,278,039	34,679,650

Dividends

- 10.1 Date the dividend is payable N/A
- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer) N/A
- 10.3 If it is a final dividend, has it been declared?
(Preliminary final report only)
- 10.4 The dividend or distribution plans shown below are in operation.
N/A
- The last date(s) for receipt of election notices to the dividend or distribution plans N/A
- 10.5 Any other disclosures in relation to dividends or distributions
N/A

Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Dividends paid or provided for during the reporting period	-	-	-
10.6 Current year interim	-	-	-
10.7 Franked dividends	-	-	-
10.8 Previous year final	-	-	-
10.9 Franked dividends	-	-	-
Dividends proposed and not recognised as a liability	-	-	-
10.10 Franked dividends	-	-	-

Dividends per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

	Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period	-	-	-
10.11 Current year interim	-	-	-
10.12 Franked dividends – cents per share	-	-	-
10.13 Previous year final	-	-	-
10.14 Franked dividends – cents per share	-	-	-
Dividends proposed and not recognised as a liability	-	-	-
10.15 Franked dividends – cents per share	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance		
11.2 Expenditure incurred during current period	N/A	N/A
11.3 Expenditure written off during current period		
11.4 Acquisitions, disposals, revaluation increments, etc.		
11.5 Expenditure transferred to Development Properties		
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)		

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance		
12.2 Expenditure incurred during current period	N/A	N/A
12.3 Expenditure transferred from exploration and evaluation		
12.4 Expenditure written off during current period		
12.5 Acquisitions, disposals, revaluation increments, etc.		
12.6 Expenditure transferred to mine properties		
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)		

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations	-	-
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities <i>(description)</i>	-	-	-	-	-
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	Ordinary securities <i>(description)</i>					
14.7	Balance at start of period	38,595,095	36,896,022	5.6 cents	2,155	1,772
14.8	a) Increases through issues	1,030,000	1,030,000	12 cents	124	383
14.9	b) Decreases through returns of capital, buybacks etc.				-	
14.10	Balance at end of period	39,625,095	37,926,022	5.8 cents	2,279	2,155
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>	-	-	-	-	-
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.16	Options					
	<i>(description & conversion factor)</i>					
	ESC scheme 1-expiry 31/8/14	5,625,000	-			
	ESC scheme 2-expiry 20/6/19	10,000,000				
	Ordinary share option expiry 31/3/17	10,225,616	-			
	Ordinary share option expiry 31/3/18	6,149,337	-			
	ESC Option Scheme 3 expiry 31/8/20	15,000,000	-			
14.17	Balance at start of period	46,999,953	-			
14.18	Issued during period	-	-			
14.19	Exercised during period	(1,030,000)	-	12 cents	123	-
14.20	Expired during period	(4,595,000)	-			
14.21	Balance at end of period	41,374,953	-		123	-
14.22	Debentures	-	-	-	-	-
	<i>(description)</i>					
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	Unsecured Notes	-	-	-	-	--
	<i>(description)</i>					
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues					
14.30	b) Decreases through maturity, converted					
14.31	Balance at end of period					
14.32	Total Securities	81,000,048	37,926,022		2,279	2,155

		Current period – A\$'000	Previous corresponding period – A\$'000
Reserves			
14.33	Balance at start of period	701	380
14.34	Transfers to/from reserves	(266)	-
14.35	Total for the period	(266)	-
14.36	Balance at end of period	435	380
14.37	Total reserves	435	
Retained earnings			
14.38	Balance at start of period	367	398
14.--	Transfers to/from reserves	266	-
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	174	33
14.42	Total for the period	174	33
14.43	Dividends	-	
14.44	Balance at end of period	807	331

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

-

Reporting entities percentage holding

-

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax		
15.2	Income tax		
15.3	Profit (loss) after tax		
15.4	Impairment losses		
15.5	Reversals of impairment losses		
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)		
15.7	Share of net profit (loss) of associates and joint venture entities		

Control gained over entities having material effect

(See note 8)

16.1 Name of *issuer* (or *group*)

16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since
the date in the current period on which control was acquired

16.3 Date from which profit (loss) in *item 16.2* has been calculated

16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the
previous corresponding period

\$A'000

Loss of control of entities having material effect

(See note 8)

17.1 Name of *issuer* (or *group*)

-

17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control

17.3 Date from which the profit (loss) in *item 17.2* has been calculated

17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

\$A'000

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
				<i>Equity accounted</i>	
18.2	Total				
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
18.4	Total				

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the presentation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

		Current period - \$A'000	Previous corresponding period - \$A'000
	Segments		
	Revenue:		
19.1	External sales	730	570
19.2	Inter-segment sales	-	-
19.3	Total (consolidated total equal to item 1.1)	730	570
19.4	Segment result	178	33
19.5	Unallocated expenses	-	-
19.6	Operating profit (equal to item 1.5)		
19.7	Interest expense	(3)	
19.8	Interest income		
19.9	Share of profits of associates		
19.10	Income tax expense	(1)	
19.11	Net profit (consolidated total equal to item 1.9)	174	
	Other information		
19.12	Segment assets	3,751	2,150
19.13	Investments in equity method associates		
19.14	Unallocated assets	-	-
19.15	Total assets (equal to item 3.18)	3,751	2,150
19.16	Segment liabilities	230	302
19.17	Unallocated liabilities	-	-
19.18	Total liabilities (equal to item 3.32)	230	302
19.19	Capital expenditure	202	90
19.20	Depreciation	3	4
19.21	Other non-cash expenses	14	-

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	3.4 cents	3.5 cents

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1

n/a

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1

n/a

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2

n/a

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.

We are pleased to report to shareholders an improved result for the period under review. Regarding the Profit and Loss Statement, Sales increased by \$196,000 to \$575,000 and after tax profit by \$140,000 to \$174,000. The Balance Sheet remains strong with no long term debt and current liabilities were reduced during the period by \$82,000 to \$230,000. Total assets increased by \$215,000.

Cool Solar Research

As reported ESC has 4 PCT's (Patent Co-Operative Treaties) each of which has been independently reviewed and been assessed to be novel and innovative. During the period patent applications for a number of countries around the world have been lodged. Also, research and development regarding the mass production of the key component has been further progressed.

Certain aspects regarding field trials have now commenced and it is expected worthwhile progress will be made during calendar 2015. We remain positive regarding this project.

Other Research

We are currently investigating other relevant renewable energy areas for evacuated tube and photovoltaic (PV) technologies. We expect to make announcements regarding progress in due course.

Sales & Consulting

While ESC has found the Australian market place continuing to be difficult for generating sales (notwithstanding the considerable attractive benefits evacuated tube technology provides) we believe that in addition to the improved figures, we are gradually improving our capacity to increase sales. We anticipate being able to report on these efforts more fully by the end of this financial year.

Investments

ESC has 9,000,000 shares in Authorised Investment Fund Limited (ASX code AIY), 636,338 ordinary shares in Speed Panel Australia Limited and 100,000 ordinary shares in E Tube Finance Limited.

Capital

In the half year 1,030,000 options over ESC ordinary (Limited Voting) shares were exercised at 12 cents per option. Thereby providing \$123,600 of additional funds to the company.

Since Balance Date

ESC has entered into a Memorandum of Understanding with Sungevity Australia.

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)

Nil

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.

Nil factors

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

n/a

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

No changes in accounting policies, estimation methods and measurement bases since the last annual report.

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

n/a

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

Errors reported at 31 December 2013 have been rectified.

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

No changes in contingent liabilities or assets since the last annual report.

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

No additional disclosure required

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

n/a

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

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/~~does not~~* (*delete one*) 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.

<input type="checkbox"/>

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. No qualifications
7. The issuer has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here: 
(Director/Company secretary)

Date: 11 March 2015 .

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

CONTENTS TO FINANCIAL REPORT

Corporate information	2
CHAIRMAN'S LETTER	3
DIRECTORS' REPORT	4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	10
Note 1 General Information.....	10
Note 2 Basis of preparation and changes to the Groups accounting policies	10
Note 3 Significant Accounting Policies	12
Note 4 Profit for the half-year - revenue	15
Note 5 Profit for the half- year - expenses	15
Note 6 Income Tax.....	16
Note 7 Cash and Cash Equivalents	16
Note 8 Trade and Other Receivables.....	16
Note 9 Other Financial Assets	17
Note 10 Intangible Assets	17
Note 11 Provisions	18
Note 12 Issue of Capital.....	19
Note 13 Earnings per share	20
Note 14 Operating Segments.....	21
Note 15 Cash Flow Information.....	21
Note 16 Related Party Transactions	21
Note 17 Financial instruments.....	22
Note 18 Controlled Entities	25
Note 19 Contingent Liabilities and Contingent Assets	25
Note 20 Events after the reporting period	25
Note 21 Share based payments.....	25

Corporate information

Registered Office and Principal Place of Business:

Level 10
406 Collins Street
Melbourne Victoria

Directors:

Mr. David H Craig – Chairman and Executive Director
Mr. Chris Baring-Gould – Non Executive Director
Ms. Cathy W Lin – Executive Director

Secretary:

Cathy W Lin C.A.

Auditor:

Margaret Salter F.C.A. MAICD
Chartered Accountant
P O BOX 194
Doncaster, Vic, 3108

Share registry:

Boardroom Pty Limited
Level 7, 207 Kent Street, Sydney NSW 2000

Stock exchange listing:

Endless Solar Corporation Limited ordinary limited voting shares are listed
on the National Stock Exchange Australia
(code: ESCLV)

CHAIRMAN'S LETTER

Dear Shareholder,

We are pleased to report to shareholders an improved result for the period under review. Regarding the Profit and Loss Statement, Sales increased by \$196,000 to \$575,000 and after tax profit by \$140,000 to \$174,000. The Balance Sheet remains strong with no long term debt and current liabilities were reduced during the period by \$82,000 to \$230,000. Total assets increased by \$215,000.

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Since Balance Date

ESC has entered into a Memorandum of Understanding with Sungevity Australia.

Yours sincerely

David Craig
Chairman
Endless Solar Corporation Limited

DIRECTORS' REPORT

The directors of Endless Solar Corporation Limited submit their report of the company for half-year ended 31 December 2014.

Directors

The names and particulars of the directors of the company during or since the end of the half-year are:

Name, qualifications and responsibilities	Experience
Mr David H. A. Craig Bachelor of Economics (Monash) Executive Director & Chairman	David has over 30 years' experience in management of property and investment companies, and is a member of the Financial Services Institute of Australasia (FINSIA). David is also a Director of ASX-listed company - Authorised Investment Fund Limited.
Mr Chris Baring-Gould BBusAcc, MBA, CPA Non-executive Director	Chris's professional experience is diverse. He has served as Group Financial Controller at JB Were & Son, General Manager of a stock broking subsidiary of the Equity and Property Investment Group and since 1999 has served as Chief Finance Officer at Anglicare Victoria. He also is an independent member of the Funds-in-Court Audit Committee (Supreme Court of Victoria).
Ms Cathy W Lin B.Com, C.A. Executive Director & Company Secretary	Cathy is a Chartered Accountant with a strong accounting and taxation focus. She has over ten years' experience in small professional accounting firms. Cathy joined the Group in 2011.

The directors held office during the entire period unless otherwise stated.

Review and results of operations

The Group experienced an increase in both revenue and profits during the half-year. Sales revenue for the half-year was \$575,512 (2013: \$379,165) representing an increase of 52%. Gross profit also increased in the half-year at \$424,238 (2013: \$219,923).

Consolidated net profit from continuing operations after income tax for the half-year was \$174,155 (2013: \$32,999), up 400% on the previous corresponding half-year.

Rounding

The amounts contained in this report and in the financial report have not been rounded.

Auditors Independence Declaration

We have obtained the following independence declaration from our auditor, Margaret Salter.



MMS Consulting Pty Ltd
Chartered Accountants
ABN 15 131 024 158

P.O. Box 194
Doncaster Vic 3108

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ENDLESS SOLAR CORPORATION LIMITED

In relation to my review of the financial report of Endless Solar Corporation Ltd for the half-year ended 31 December 2014, to the best of my knowledge and belief there has been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001*; or
- (ii) any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'M Salter', is written over a light grey rectangular background.

Margaret M Salter FCA

Director
MMS Consulting Pty Ltd

Dated at Melbourne this 11th day of March 2015.

Telephone: +61 3 9840 8999 Mobile: 0419 588 242 margaret.salter@mmsconsulting.com.au Web: mmsconsulting.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

This Directors report is signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'D.H.A. Craig', is written over a light grey rectangular background.

D.H.A. Craig
Director

Melbourne, 11 March 2015

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

		31 December 2014	2013
	Note	\$	\$
Continuing operations			
Sales Revenue	4	575,512	379,165
Cost of Sales		(151,274)	(159,242)
Gross Profit		424,238	219,923
Other income	4	154,505	189,815
Administration expenses		(392,298)	(371,944)
Depreciation Expense		(2,793)	(4,307)
Finance costs	5	(3,477)	(488)
Other expenses		(4,788)	-
		(403,356)	(376,739)
Profit before tax		175,387	32,999
Income tax (expense) / benefit	6	(1,232)	-
PROFIT FOR THE HALF-YEAR		174,155	32,999
Other comprehensive income, net of tax			
Gain on investment revaluation		-	-
Other comprehensive income for the half-year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR		174,155	32,999

Earnings per share:

13

From continuing operations

Basic (cents per share) 0.44339cps 0.09256cps

Diluted (cents per share) 0.44339cps 0.09256cps

There were no discontinued operations during the half-year. - -

There were no dividends declared during the half-year. - -

The accompanying notes form part of these financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

		31 December 2014 \$	30 June 2014 \$
	Note		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	19,211	139,211
Trade and other receivables	8	399,847	105,853
Inventories		141,344	172,902
Other assets		9,037	18,106
TOTAL CURRENT ASSETS		569,439	436,072
NON-CURRENT ASSETS			
Trade and other receivables	8	69,344	170,792
Other financial assets	9	825,053	825,053
Property, plant and equipment		50,367	53,159
Deferred tax assets		72,689	73,921
Intangible assets	10	2,164,138	1,976,201
TOTAL NON-CURRENT ASSETS		3,181,591	3,099,126
TOTAL ASSETS		3,751,030	3,535,198
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		101,279	152,090
Borrowings		1,984	21,397
Current tax liabilities		-	-
Provisions	11	126,539	138,239
TOTAL CURRENT LIABILITIES		229,802	311,726
NON-CURRENT LIABILITIES			
Deferred tax liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		229,802	311,726
NET ASSETS		3,521,228	3,223,473
EQUITY			
Issued capital	12	2,278,627	2,155,027
Capital Development Reserve		-	265,812
Investment Revaluation Reserve		435,493	435,493
Retained earnings		807,108	367,141
TOTAL EQUITY		3,521,228	3,223,473

The accompanying notes form part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Ordinary Shares	Retained Earnings	Capital Development Reserve*	Investment Revaluation Reserve	Total
	\$	\$	\$		\$
Balance at 1 July 2014	2,155,027	367,141	265,812	435,493	3,223,473
Comprehensive income					
Profit for the half-year	-	174,155	-		174,155
Other comprehensive income for the half-year				-	-
Total comprehensive income for the half-year	-	174,155	-	-	174,155
Transactions with owners, in their capacity as owners and other transfer					
Transfer from reserves	-	265,812	(265,812)		-
Shares allotted through Options exercised at 12c	123,600	-	-		123,600
Total transactions with owners and other transfers	123,600	265,812	(265,812)		123,600
Balance at 31 December 2014	2,278,627	807,108	-	435,493	3,521,228
Balance at 1 July 2013	1,771,775	298,233	265,812	114,000	2,449,820
Comprehensive income					
Profit for the half-year		32,999	-		32,999
Other comprehensive income for the half-year					-
Total comprehensive income for the half-year	-	32,999	-	-	32,999
Transactions with owners, in their capacity as owners and other transfer					
Shares allotment through Rights Issue	383,252	-	-		383,252
Total transactions with owners and other transfers	383,252	-	-	-	383,252
Balance at 31 December 2013	2,155,027	331,232	265,812	114,000	2,866,071

The accompanying notes form part of these financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers		537,391	663,134
Payment to suppliers and employees		(559,643)	(939,265)
Interest received		79	3,766
Government grant received		-	205,358
Taxes refund/(paid)		-	-
Net cash provided by/(used in) operating activities	15	(22,173)	(67,007)
CASH FLOWS FROM INVESTING ACTIVITIES			
Government subsidies received		-	-
Purchase of property, plant and equipment		-	-
NSX Listing fees		-	(15,641)
Payment for Research & Development activities		(68,431)	(439,264)
Payment for patents		(133,584)	(55,542)
Payment for trademark		-	-
Net cash provided by/(used in) investing activities		(202,015)	(510,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution received		123,600	383,252
Short term borrowing		-	-
Repayment of borrowings		(19,412)	-
Net cash provided by/(used in) financing activities		104,188	383,252
Net increase/(decrease) in cash held		(120,000)	(194,202)
Cash and cash equivalents at beginning of financial half-year		139,211	333,413
Cash and cash equivalents at end of financial half-year	7	19,211	139,211

The accompanying notes form part of these financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

Note 1 General Information

The interim condensed consolidated financial statements of Endless Solar Corporation Limited and its subsidiaries (collectively, the Group) for the six months ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 11 March 2015.

Endless Solar Corporation Limited is a for-profit listed public company, incorporated and domiciled in Australia. The registered office and principal place of business of the company is:

Level 10, 406 Collins Street, Melbourne VIC 3000

The principal activities of the Group during the course of the financial half-year were the supply and design of evacuated tube solar hot water systems, as well as related research and development activities.

Note 2 Basis of preparation and changes to the Groups accounting policies **Basis of preparation**

The interim condensed consolidated financial statements for the six months ended 31 December 2014 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2014.

Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2014, except for the adoption of new standards and interpretations noted below:

➤ **AASB 2014-1 Part A – Amendments to Australian Accounting Standards - Annual Improvements 2010-2012 and 2011-2013 Cycle**

This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.

Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:

- AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.
- AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.
- AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.
- AASB 116 and AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.

- AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items:

- AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.
- AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.

These amendments are effective for annual periods beginning on or after 1 July 2014. The adoption of these amendments had no material impact on the financial position or performance of the Group.

➤ **AASB 2014-1 Part B – Amendments to Australian Accounting Standards – Defined Benefit Plans: Employee Contributions**

This makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service.

The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

These amendments are effective for annual periods beginning on or after 1 July 2014. The adoption of these amendments had no material impact on the financial position or performance of the Group.

➤ **AASB 2013-9 Part C - Amendments to Australian Accounting Standards – Financial Instruments**

This makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.

These amendments are effective for annual periods beginning on or after 1 January 2015.

➤ **AASB 2014-2 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements**

The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:

- Clarify that AASB 1053 relates only to general purpose financial statements.
- Make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors option in AASB 1 First-time Adoption of Australian Accounting Standards.
- Clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather than applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements.
- Specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.

These amendments are effective for annual periods beginning on or after 1 July 2014. The adoption of these amendments had no material impact on the financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Note 3 Significant Accounting Policies

(a) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Available for sale financial assets

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured).

Fair value is determined in the manner described in note 17. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at

amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(b) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

(c) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(d) Equity-settled compensation

The group operates a share-based compensation plans comprising a share option arrangement. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(e) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

(f) Intangible assets

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(g) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current half-year.

Note 4 Profit for the half-year - revenue

For the six months ended 31 December

	2014	2013
	\$	\$
(a) Revenue from continuing operations		
Sales revenue		
- Sale of Goods	571,433	366,165
Total sales revenue	571,433	366,165
Other revenue		
- interest received	79	591
- rental revenue	4,000	13,000
Total other revenue	4,079	13,591
Total sales revenue and other revenue	575,512	379,165
Other income		
- Research and Development Tax		
Subsidies	154,505	189,815
- Foreign exchange gain	-	-
Total other income	154,505	189,815

Note 5 Profit for the half- year - expenses

For the six months ended 31 December

	2014	2013
	\$	\$
Expenses		
Cost of sales	151,274	159,242
Interest expense on financial liabilities not at fair value through profit or loss:		
- Insurance funding	3,477	541
Total interest expense	3,477	541
Foreign currency translation losses	4,789	7,074
Bad and doubtful debts:		
- trade receivables	-	322
Employee benefits expense:		
- contributions to superannuation funds	14,071	11,729
Rental expense on operating leases		
- minimum lease payments	51,422	56,416

Note 6 Income Tax

The Group calculates the period income tax using the tax rate applicable to expected total earnings. The major components of income tax expense in the interim profit or loss are:

	For the six months ended 31 December	
	2014	2013
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30%	52,616	9,900
Deduct Non taxable R&D tax subsidies	(46,352)	-
Current income tax expense	6,264	9,900
Deferred income tax related to origination and reversal of deferred taxes	(5,032)	(9,900)
Income tax expense recognised in the statement of profit or loss	1,232	-
	31 December 2014	30 June 2014
	\$	\$

Note 7 Cash and Cash Equivalents

Cash at bank and on hand	19,211	139,211
	19,211	139,211

Note 8 Trade and Other Receivables

CURRENT

Trade receivables	270,479	105,853
Receivable from other related parties	129,368	-
Provision for impairment	-	-
	399,847	105,853

NON-CURRENT

Rental bond	38,750	38,750
Provision for impairment	38,750	38,750

Amounts receivable from related parties

- Other related parties	30,594	132,042
- Directors	-	-
- Other key management personnel	-	-

Total non-current trade and other receivables	69,344	170,792
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Note 9 Other Financial Assets

Listed shares held by the Company that are traded in an active market are stated at fair value. The company also has investments in unlisted shares that are not traded in an active market but that also stated at fair value because the Board consider that fair value can be reliably measured according to the information available and can be measured at fair value on a recurring basis.

	31 December 2014		30 June 2014	
	\$ Carrying amount	\$ Fair value	\$ Carrying amount	\$ Fair value
NON CURRENT				
Available-for-sale financial assets	825,053	825,053	825,053	825,053
Total Non-current Assets	825,053	825,053	825,053	825,053

Available-for-sale financial assets

NON CURRENT

Listed investments, at costs				
- shares in listed corporations	338,653	338,653	338,653	338,653
	338,653	338,653	338,653	338,653
Unlisted investments, at fair value				
- shares in other corporations	290,907	290,907	290,907	290,907
- shares in other related parties	195,493	195,493	195,493	195,493
	486,400	486,400	486,400	486,400
Total non-current available-for-sale financial assets	825,053	825,053	825,053	825,053

Note 10 Intangible Assets

	31 December 2014	30 June 2014
	\$	\$
Integrated thermal device ("CoolSolar")	846,708	846,708
Research & Development in 2013 CoolSolar II	400,592	400,592
Research & Development in 2014 Solar Energy Project I	503,639	438,710
Research & Development in 2015 Solar Energy Project II	3,502	-
Patent costs	281,506	147,923
Goodwill		
- Cost	121,847	121,847
- Accumulated impairment losses	-	-
- Net carrying amount	121,847	121,847
Trademarks and licences		
- Cost	6,344	6,344
- Accumulated impairment losses	-	-
- Net carrying amount	6,344	6,344
Listing costs – National Stock Exchange (net)	-	14,076
Total intangible assets	2,164,138	1,976,200

Goodwill represents the cost of assets acquired from a Related Party under an Asset Sale Agreement dated 29 June 2007 for consideration of \$150,000, satisfied by the issue of 15 million Preference shares - subsequently converted into Limited Voting Ordinary Shares.

The Directors have reviewed the Goodwill valuation and consider that the valuation is adequate to reflect the level of Goodwill within the Company and therefore no impairment is required.

"CoolSolar" Project Costs and Valuation

The value of the "CoolSolar" project has been recorded in the 2013 ESC annual accounts at actual costs. The Board is of the view that the valuation of the project is conservative.

The Group is seeking further advice regarding the worldwide geographic scope of the patent operation. Advice received so far suggests that the potential benefits of the patent are encouraging. Therefore the directors believe that the net carrying value is not impaired.

The value of the "Cool Solar" project has been carried forward in the ESC 2014 Consolidated Accounts at actual cost.

Note 11 Provisions

	31 December 2014	30 June 2014
	\$	\$
Warranty	21,938	21,938
Short-term Employee Benefits	50,041	50,041
Audit fees	4,000	15,700
R & D tax incentive application fees	50,560	50,560
TOTAL	126,539	138,239

Provision for Warranties

The Provision for Warranty has been recognised having regard to empirical indicators of repairs and replacements historically carried out under Product guarantees. The amount represents the directors' best estimate of costs to be incurred during 2013/2014

Note 12	Issued Capital	\$	\$
	1,699,074 fully paid ordinary shares – full voting (30 June 2014: 1,699,074)	120,666	120,666
	37,926,021 fully paid ordinary shares – Limited voting (30 June 2014: 36,869,021)	2,157,961	2,034,359
		<u>2,278,627</u>	<u>2,155,025</u>

(a) Ordinary shares

<i>Ordinary share – full voting</i>	31 December 2014 No of share	31 December 2013 No of share	31 December 2014 \$	31 December 2013 \$
Opening balance at the beginning of the half-year	1,699,074	1,415,895	120,666	92,348
Extra shares issued through Right Issues during the half-year	-	283,179	-	28,318
Closing balance at the end of the half-year	1,699,074	1,699,074	120,666	120,666

<i>Ordinary share – limited voting*</i>	31 December 2014 No of shares	31 December 2013 No of shares	31 December 2014 \$	31 December 2013 \$
Opening balance at the beginning of the half-year	36,896,021	36,869,020	2,034,361	1,679,427
Extra shares issued through Right Issues during the half-year	1,030,000	-	123,600	354,934
Closing balance at the end of the half-year	37,926,021	36,869,020	2,157,961	2,034,361

*Only ordinary limited voting shares were listed on the National Stock Exchange Australia on 20th January 2014.

(b) Options - ESC Option Scheme 1 – over limited voting ordinary shares. The scheme lapsed on 31/08/2014. Options exercised prior to closing date totalled 1,030,000.

Option Series	Grant date	Number of shares under options	Expiry date	Exercise Price	Closing balance as at 30/06/2014	Options exercised at 28/08/2014	Costs \$	Options that lapsed at 31/08/2014
1	02/09/2008	3,935,000	31/08/2014	\$0.12	3,935,000	1,030,000	123,600	2,905,000
2	02/09/2008	695,000	31/08/2014	\$0.20	695,000	-	-	695,000
3	02/09/2008	995,000	31/08/2014	\$0.30	995,000	-	-	995,000
Total		5,625,000			5,625,000	1,030,000	123,600	4,595,000

(c) Options - Other

Scheme Name	Grant date	Number of shares under options	Class of shares	Exercise price of option	Expiry date	Opening balance of Options at 01.07.2014	Options exercised during the ½ year	Closing balance as at 31.12.2014
ESC Option Scheme 2	13/08/2013	10,000,000	Ordinary limited voting	\$0.22	20/06/2019	-	-	10,000,000
Options attached to April 2012 Right Issue shares	04/04/2012	10,225,616	Ordinary limited voting	\$0.10	31/03/2017	10,225,616	-	10,225,616
Options attached to April 2012 Right Issue shares	04/04/2012	471,966	Ordinary full voting	\$0.10	31/03/2017	471,966	-	471,966
Options attached to September 2013 Right Issue shares	28/09/2013	6,149,337	Ordinary limited voting	\$0.15	31/07/2018	-	-	6,149,337
Options attached to September 2013 Right Issue shares	28/09/2013	283,179	Ordinary full voting	\$0.15	31/07/2018	-	-	283,179
ESC Option Scheme 3	01/09/2014	15,000,000	Ordinary limited voting	\$0.22	31/08/2020	-	-	-
		42,130,098				10,697,582	-	27,130,098

These options listed above are not listed in the National Stock Exchange Australia,

There is no valuation of the above options that has been done prior to 30 June 2014 and prior to the report date. The latest share price per ordinary limited voting share on the NSX is \$0.060 as at 12/03/2015.

Note 13 Earnings per share

	31 December 2014 Cents per share	31 December 2013 Cents per share
Basic Earnings per share from continuing operations	0.44339	0.09256
	31 December 2014 \$	31 December 2013 \$
Profit for the half-year attributable to owners and used in the calculation of basic earnings per share	174,155	32,999
	No. of Shares	No. of Shares
Weighted average number of ordinary shares (voting and limited voting)	39,278,039	34,679,650

Note 14 Operating Segments

Segment Information

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

Note 15 Cash Flow Information

	31 December 2014 \$	30 June 2014 \$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Net Profit after income tax	174,155	390,401
Less unrealised investment gain	-	(321,493)
	<u>174,155</u>	<u>68,908</u>
Cash flows excluded from profit attributable to operating activities		
Finance costs on debentures		
Non-cash flows in calculating profit		
Depreciation	2,793	10,799
Amortisation/ write-off of listing fees	14,077	1,564
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(192,547)	(118,138)
(Increase)/decrease in inventories	31,558	(30,737)
(Increase)/decrease in other assets	9,069	(831)
(Increase)/decrease in deferred taxes assets	1,232	(8,725)
Increase/(decrease) in creditors and other liabilities	(50,810)	(61,554)
Increase/(decrease) in provisions	(11,700)	71,707
Cash flow from operations	<u>(22,173)</u>	<u>(67,007)</u>

Note 16 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions and are no more favourable than those available to external parties unless otherwise stated. Note 8 refers to trade and other amounts receivable from related parties.

Note 17 Financial instruments

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 31 December 2014:

Financial assets:	Note	Loans and receivables	Available for sale	Fair value profit or loss
Trade and other receivables	8	270,479	-	-
Loans and receivables:				
- Other related parties	8	159,962	-	-
- Rental bond	8	38,750	-	-
Available for sale investments		-	-	-
- Quoted equity shares	9	-	338,653	-
- Unquoted equity shares – shares in other corporations	9	-	290,907	-
- Unquoted equity shares – shares in related corporations	9	-	195,493	-
Total		469,191	825,053	-
Total current		399,847	-	-
Total non-current		69,344	825,053	-

Set out below is an overview of the financial liabilities held by the Group as at 31 December 2014:

Financial liabilities:	Note	Financial liabilities at cost	Available for sale	Fair value profit or loss
Trade and other Payables		107,279	-	-
Insurance funding		1,984	-	-
Total		109,263	-	-
Total current		109,263	-	-
Total non-current		-	-	-

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2014:

Financial assets:	Note	Loans and receivables	Available for sale	Fair value profit or loss
Trade and other receivables	8	105,853	-	-
Loans and receivables:				
- Other related parties	8	132,042	-	-
- Rental bond	8	38,750	-	-
Available for sale investments		-	-	-
- Quoted equity shares	9	-	338,653	-
- Unquoted equity shares – shares in other corporations	9	-	290,907	-
- Unquoted equity shares – shares in related corporations	9	-	195,493	-
Total		276,645	825,053	-
Total current		105,853	-	-
Total non-current		170,792	825,053	-

Set out below is an overview of the financial liabilities held by the Group as at 31 December 2014:

Financial liabilities:	Note	Financial liabilities at cost	Available for sale	Fair value profit or loss
Trade and other Payables		152,090	-	-
Insurance funding		21,396	-	-
Total		173,486	-	-
Total current		173,486	-	-
Total non-current		-	-	-

Financial Risk Management Policies

The Finance Committee has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The Finance Committee monitors the financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The Finance Committee's overall risk management strategy seeks to assist the group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are credit risk and liquidity risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Finance Committee has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

b. Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 31 December 2014 and 30 June 2014:

	31 December 2014		30 June 2014	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Available for sale investments				
Quoted equity shares	338,653	338,653	338,653	338,653
Unquoted equity shares – shares in other corporations	290,907	290,907	290,907	290,907
Unquoted equity shares – shares in related corporations	195,493	195,493	195,493	195,493
Total	825,053	825,053	825,053	825,053

Financial liabilities:

Total -

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six-month period ended 31 December 2014.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair value of remaining available-for-sale financial assets is derived from quoted market prices in active markets.

- Fair value of the unquoted ordinary shares has been estimated based on directly observable: (i) value listed company holdings; (ii) value of share parcel in 2014 where 1% of shareholding was sold for \$180,000; (iii) expansion of factory at Bayswater; and (iv) accelerated growth in sales volume.

Observable and unobservable inputs to valuation of unquoted equity shares

As at 31 December 2014:

	Fair value \$	Observable inputs	Significant unobservable inputs
Speedpanel Australia	266,400		1% of shares recently sold for \$180,000. The current investment represents 1.5% shareholding. Significant forecast increase in sales plus expansion to increase production,
E Tube Finance Ltd	220,000	The assets in this company comprise investment in a public listed company	
Total	486,400		

Note 18 Controlled Entities

Endless Solar Corporation Ltd is the parent company, which control the below entities through equity investment. Except for Endless Solar Operations Pty Ltd is currently trading, all the other entities have not been trading during 2013 and 2014 financial years.

Name	Country of Incorporation	Shares	Ownership Interest		Carrying Amount of Investment	
			2014 %	2013 %	2014 \$	2013 \$
Unlisted:						
Endless Solar Operations Pty Ltd	Australia	Ord	100	100	100	100
Endless Solar Technology Pty Ltd	Australia	Ord	100	100	100	100
Renewable Energy Exchange Pty Ltd	Australia	Ord	100	100	2	2
Endless Energy Solutions Pty Ltd	Australia	Ord	60	60	600	600
Endless Aqua Pty Ltd	Australia	Ord	63	63	25	25

Note 19 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets of a material nature as at balance date.

Note 20 Events after the reporting period

There have been no significant events after the interim reporting period.

Note 21 Share based payments

There have been no share based payments during the interim reporting period.

DIRECTORS' DECLARATION

The directors of Endless Solar Corporation Limited declare that:

1. the financial statements and notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001* including:
 - a) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - b) (b) give a true and fair view of the financial position as at 31 December 2014 and performance for the six months ended on that date of the company and the economic entity;
2. the Managing Director and Chief Financial Officer have declared that:
 - a) the financial records of the company for the financial half-year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the six months ended comply with the Accounting Standards; and
 - c) the financial statements and notes for the six months ended give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



D.H.A. Craig
Director

Dated this 11th day of March 2015



MMS Consulting

MMS Consulting Pty Ltd
Chartered Accountants
ABN 15 131 024 158

P.O. Box 194
Doncaster Vic 3108

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ENDLESS SOLAR CORPORATION LIMITED**

Report on the Half-Year Financial Report

I have reviewed the accompanying half-year financial report of Endless Solar Corporation Ltd, 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 information, and the directors' declaration of the consolidated entity 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

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my 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, I have become aware of any matter that makes me 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 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 Endless Solar Corporation Ltd, ASRE 2410 requires that I 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 my review, I have complied with the independence requirements of the *Corporations Act 2001*. I have given to the directors of the company a written auditor's independence declaration, a copy of which is included in the director's report.

Conclusion

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the half-year financial report of Endless Solar Corporation Ltd 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 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 *Corporations Regulations 2001*.

Margaret M Salter FCA

Dated at Melbourne this 11th day of March 2015