

# **Consolidated Africa Limited**

**A.C.N 605 659 970**

**Interim Report - 31 December 2019**

**Consolidated Africa Limited**

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**31 December 2019**

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**Consolidated Africa Limited**  
**Corporate directory**  
**31 December 2019**

Directors	Ms May Zhang (Non-Executive Director) Mr Douglas Cahill (Non-Executive Director) Mr Graeme Watchirs (Non-Executive Director/Chairman)
Company secretary	Mr Kevin Nichol
Registered office	Level 28 1 Market Street Sydney NSW 2000
Principal place of business	Level 28 1 Market Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Ph:(02) 1300 737 760 Fax:(02) 1300 653 459 <a href="http://www.boardroomlimited.com.au">www.boardroomlimited.com.au</a>
Auditor	Connect Audit Level 8, 350 Collins Street Melbourne VIC 3000
Stock exchange listing	Consolidated Africa Limited shares are listed on the National Securities Exchange (NSX code: CRA)
Website	<a href="https://consolidatedafrica.wixsite.com/cra1">https://consolidatedafrica.wixsite.com/cra1</a>

**Consolidated Africa Limited**  
**Directors' report**  
**31 December 2019**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Consolidated Africa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

**Directors**

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

Ms May Zhang (Non-Executive Director) - appointed 15 January 2020  
Mr Graeme Watchirs (Non-Executive Director/Chairman)  
Mr Douglas Cahill (Non-Executive Director)  
Mr John Cross (Non-Executive Director) - passed away 19 December 2019

**Dividends**

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

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$373,416 (31 December 2018: \$143,770).

**Financial Position**

During the half year to 31 December the Consolidated entity experience a loss of \$373,416. The Board and management continued to review operations and operate the business as efficiently and effectively as possible and during the half year expense management became a priority and costs were reduced.

As 31 December 2019 the consolidated entity had a cash balance of \$5,147 (30 June 2019:\$1,256) and a working capital surplus being current assets less current liabilities of \$2,535,034 (30 June 2019:\$2,290,081)

**Significant changes in the state of affairs**

On 31 October 2019 the consolidated entity issued 11,065,405 fully paid ordinary shares at an issue price of \$0.02 (2 cents) and 770,000 fully paid ordinary shares at an issue price of \$0.10 (10 cents). A total of 11,835,405 fully paid ordinary shares were issued to placement to extinguish outstanding liabilities.

On 4 November 2019 the consolidated entity issued 12,040,000 fully paid ordinary shares at an issue price of \$0.02 (2 cents) and 770,000 fully paid ordinary shares at an issue price of \$0.10 (10 cents). A total of 12,810,000 fully paid ordinary shares were issued to placement to extinguish outstanding liabilities.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Likely developments and expected results of operations**

The likely developments and expected results of operations will be dependent on the continued exploration activities at the consolidated entity's areas of interest. As announced on 24 April 2020 and subsequent to the end of the financial year, the consolidated entity has entered into a Share Sale Agreement with respect to its wholly owned subsidiary and will receive 25 million shares in Blencowe Resources Plc (Blencowe). The expected results of the consolidated entity's operations will also be dependent on the share price performance of Blencowe.

**Consolidated Africa Limited**  
**Directors' report**  
**31 December 2019**

**Environmental regulation**

The consolidated entity's projects are subject to Ugandan laws and regulations regarding environment matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should the development proceed.

The Consolidated entity intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Consolidated entity's activities will be rehabilitated as required by the applicable laws and regulations.

**Matters subsequent to the end of the financial half-year**

On 24 April 2020 consolidated Africa Limited announced that it had entered into an agreement to sale of its High Grade Graphite Project in Uganda to Blencowe Resources Plc (BRES). Consolidated entity will receive \$50,000.00 cash and 25,000,000 shares in Blencowe Resources PLC which is a publicly listed company on the London Stock Exchange (LSE).

CRA will be the largest shareholder in Blencowe Resources PLC and holds 25.4% of Blencowe Resources PLC stock. Consolidated Africa Limited will be willing to assist Blencowe Resources PLC going forward with the project. This completes the sale of Consolidated Africa Resources (Uganda) Limited. CRA will immediately and without delay complete its Audit obligations and comply with all NSX & ASIC requirements in order to provide for the exit from suspension.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors

signed)  


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Graeme Watchirs  
Non-Executive Chairman

13 November 2020

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

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

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

This declaration is in respect of Consolidated Africa Limited and controlled entities.



**George Georgiou FCA**  
Registered Company Auditor  
ASIC Registration: 10310  
Melbourne, Victoria  
Date: 13 November 2020

**Consolidated Africa Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2019**

	Note	Consolidated 31 December 2019 \$	31 December 2018 \$
<b>Continuing Operations</b>			
<b>Revenue</b>			
Other income		-	50,000
<b>Expenses</b>			
Employee benefits expense		(270,233)	(144,000)
Administration		(2,892)	(4,562)
Corporate Expenses		(98,089)	(40,864)
<b>Loss before income tax expense</b>		(371,214)	(139,426)
Income tax expense		-	-
<b>Loss from continuing operations</b>		(371,214)	(139,426)
<b>Loss from discontinued operations</b>		(2,202)	(4,344)
<b>Loss after income tax expense for the half-year attributable to the owners of Consolidated Africa Limited</b>		(373,416)	(143,770)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Consolidated Africa Limited</b>		<u>(373,416)</u>	<u>(143,770)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per Share from continuing operations</b>			
Basic earnings per share	9a	(0.40)	(0.16)
Diluted earnings per share	9a	(0.40)	(0.16)
<b>Earnings per Share</b>			
Basic earnings per share	9b	(0.40)	(0.17)
Diluted earnings per share	9b	(0.40)	(0.17)

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

**Consolidated Africa Limited**  
**Statement of financial position**  
**As at 31 December 2019**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2019</b>
<b>Note</b>	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,147	1,256
Trade and other receivables	6,931	5,943
Other current assets	10,125	20,250
Exploration and evaluation held for sale	3,041,147	3,041,147
<b>Total current assets</b>	<u>3,063,350</u>	<u>3,068,596</u>
<b>Non-current assets</b>		
Property plant and equipment	6,026	8,287
<b>Total non-current assets</b>	<u>6,026</u>	<u>8,287</u>
<b>Total assets</b>	<u>3,069,376</u>	<u>3,076,883</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	489,948	668,471
Borrowings	38,368	110,044
<b>Total current liabilities</b>	<u>528,316</u>	<u>778,515</u>
<b>Total liabilities</b>	<u>528,316</u>	<u>778,515</u>
<b>Net assets</b>	<u>2,541,060</u>	<u>2,298,368</u>
<b>Equity</b>		
Issued capital	5	5,727,501
Reserves		670,637
Accumulated losses		(3,857,078)
<b>Total equity</b>		<u>2,541,060</u>
		<u>2,298,368</u>

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



**Consolidated Africa Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2019**

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Option Reserves</b> <b>\$</b>	<b>Retained profits</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2018	5,111,393	670,637	(3,210,280)	2,571,750
Loss after income tax expense for the half-year	-	-	(143,770)	(143,770)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(143,770)	(143,770)
Balance at 31 December 2018	<u>5,111,393</u>	<u>670,637</u>	<u>(3,354,050)</u>	<u>2,427,980</u>

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Option Reserves</b> <b>\$</b>	<b>Retained profits</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2019	5,111,393	670,637	(3,483,662)	2,298,368
Loss after income tax expense for the half-year	-	-	(373,416)	(373,416)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(373,416)	(373,416)
<i>Transactions with owners in their capacity as owners:</i>				
Issued of shares	616,108	-	-	616,108
Balance at 31 December 2019	<u>5,727,501</u>	<u>670,637</u>	<u>(3,857,078)</u>	<u>2,541,060</u>

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

**Consolidated Africa Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2019**

Note	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	3,832	13,491
Net cash from/(used in) continuing activities	3,832	13,491
Net cash from/(used in) discontinued operations	59	(2,083)
<b>Net cash from/(used in) operating activities</b>	<b>3,891</b>	<b>11,408</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	-	(1,900)
Net cash from/(used in) investing activities	-	(1,900)
Net cash from financing activities	-	-
<b>Cash flows from financing activities</b>		
Net increase in cash and cash equivalents	3,891	9,508
Cash and cash equivalents at the beginning of the financial half-year	1,256	1,614
Cash and cash equivalents at the end of the financial half-year	<u>5,147</u>	<u>11,122</u>

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

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 1. General Information**

The financial statements cover Consolidated Africa Limited as a consolidated entity consisting of Consolidated Africa Limited and entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is Consolidated Africa Limited's functional and presentation currency.

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

Level 28  
1 Market Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the director's report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 November 2020. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the consolidated entity during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

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

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

*AASB 16 Leases*

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. There is no impact on consolidated entity of this standard because it has no leases.

**Note 2. Significant accounting policies (continued)**

**AASB Interpretation 23 Uncertainty over Income Tax Treatments**

Interpretation 23 requires the assessment of whether the effect of uncertainty over income tax treatments should be included in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Interpretation outlines the requirements to determine whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The consolidated entity has adopted Interpretation 23 from 1 July 2019, based on an assessment of whether it is 'probable' that a taxation authority will accept an uncertain tax treatment. This assessment takes into account that for certain jurisdictions in which the company operates, a local tax authority may seek to open a company's books as far back as inception of the company. Where it is probable, the company has determined tax balances consistently with the tax treatment used or planned to be used in its income tax filings. Where the company has determined that it is not probable that the taxation authority will accept an uncertain tax treatment, the most likely amount or the expected value has been used in determining taxable balances (depending on which method is expected to better predict the resolution of the uncertainty).

There has been no impact from the adoption of Interpretation 23 in this reporting period.

**Going concern**

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the half-year period the consolidated entity incurred a loss of \$373,416 (2018: \$143,770). At 31 December 2019, the consolidated entity has cash and cash equivalents of \$5,147 (30 June 2019: \$1,256) and a working capital surplus being current assets less current liabilities of \$2,535,034 (30 June 2019: \$2,290,081).

Based on current cash reserves at the date of this report, the consolidated entity needs to seek additional cash resources to continue to pay its debts. As announced on 24 April 2020 and subsequent to the end of the financial year, the consolidated entity has entered into a Share Sale Agreement with respect to its wholly owned subsidiary and will receive 25 million shares in Blencowe Resources Plc (Blencowe). These shares have been issued to the consolidated entity, with a 12 month escrow lock imposed by Blencowe, and as at the date of this report have a market value of approximately AU\$3.1 million. The expected results of the consolidated entity's operations will also be dependent on the share price performance of Blencowe.

Therefore to continue as a going concern the consolidated entity must:

- Raise additional equity; and
- Seek a release of escrow lock on the shares held in Blencowe and sell a portion of the shares to fund ongoing expenditure requirements; and
- Manage the consolidated entity's cost structure within the constraints of available resources.

Based on the recent history of the Consolidated entity the directors believe future capital raises will be successful. Accordingly, the financial report has been prepared on the going concern basis based on the ability of the consolidated entity to achieve sufficient cash inflows from raise further equity. where necessary, to fund working capital. on this basis the directors consider that the Consolidated entity remains a going concern and these financial statements have been prepared on this basis.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into one operating segments which consists of exploration for minerals and in particular graphite around the world. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

**Note 4. Other income**

	<b>Consolidated</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
Option payment received for proposed sale of asset	-	50,000

**Note 5. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December 2019</b>	<b>30 June 2019</b>	<b>31 December 2019</b>	<b>30 June 2019</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	109,059,934	84,414,530	5,727,501	5,111,393

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2019	84,414,530		5,111,393
Issue of shares for settlement of liabilities Placement	31 October 2019	9,065,404	\$0.02	181,308
	31 October 2019	2,000,000	\$0.02	40,000
Issue of shares for settlement of liabilities	31 October 2019	770,000	\$0.10	77,000
Issue of shares for settlement of liabilities	4 November 2019	12,040,000	\$0.02	240,800
Issue of shares for settlement of liabilities	4 November 2019	770,000	\$0.10	77,000
Balance	31 December 2019	109,059,934		5,727,501

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Capital risk management**

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 5. Equity - issued capital (continued)**

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

**Note 6. Equity - dividends**

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

**Note 7. Contingent liabilities**

There are no contingent liabilities as at 31 December 2019.

**Note 8. Events after the reporting period**

On 24 April 2020 consolidated Africa Limited announced that it had entered into an agreement to sale of its High Grade Graphite Project in Uganda to Blencowe Resources Plc (BRES). Consolidated entity will receive \$50,000.00 cash and 25,000,000 shares in Blencowe Resources PLC which is a publicly listed company on the London Stock Exchange (LSE).

CRA will be the largest shareholder in Blencowe Resources PLC and holds 25.4% of Blencowe Resources PLC stock. Consolidated Africa Limited will be willing to assist Blencowe Resources PLC going forward with the project. This completes the sale of Consolidated Africa Resources (Uganda) Limited. CRA will immediately and without delay complete its Audit obligations and comply with all NSX & ASIC requirements in order to provide for the exit from suspension.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Consolidated Africa Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 9a. Earnings per share from continuing operations**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(371,214)</u>	<u>(139,426)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>92,349,665</u>	<u>84,414,530</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>92,349,665</u>	<u>84,414,530</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.40)	(0.16)
Diluted earnings per share	(0.40)	(0.16)

**Note 9b. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Consolidated Africa Limited	<u>(373,416)</u>	<u>(143,770)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>92,349,665</u>	<u>84,414,530</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>92,349,665</u>	<u>84,414,530</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.40)	(0.17)
Diluted earnings per share	(0.40)	(0.17)

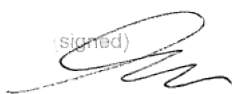
**Consolidated Africa Limited**  
**Directors' declaration**  
**31 December 2019**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

(signed)  


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Graeme Watchirs  
Non-Executive Chairman

13 November 2020





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Melbourne.  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CONSOLIDATED AFRICA LIMITED AND ITS CONTROLLED ENTITIES

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Consolidated Africa Limited and its controlled entities, which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Consolidated Africa Limited and its controlled entities' financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Consolidated Africa Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Acts 2001*, which has been given to the directors of Consolidated Africa Limited and its controlled entities, would be in the same terms if given to the directors as at the time of this auditor's report.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Consolidated Africa Limited and its controlled entities 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 2019 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*.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2 in the financial report, which indicates that the consolidated entity incurred a net loss of \$373,416 during the half year ended 31 December 2019. And, as of that date, the consolidated entity has accumulated losses of \$3,857,078. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A handwritten signature in black ink, appearing to read 'G. Georgiou', written over a light blue horizontal line.

George Georgiou FCA  
Registered Company Auditor  
ASIC Registration: 10310  
Date: 13 November 2020  
Melbourne, Victoria