



NEW HORIZON COAL LTD

ABN 61 143 932 110

Interim Financial Report

31 December 2015

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements dated 30 June 2015 and any public announcements made by the Company during the period from 1 July 2015 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate Directory

Directors

Tony Brennan
Non-Executive Chairman

Gary Steinepreis
Non-Executive

Michael Placha
Executive

Carl Coward
Non-Executive

Company Secretary

Gary Steinepreis

Registered Office

Level 1, 33 Ord Street
West Perth WA 6005
Telephone: 08 9420 9300
Facsimile: 08 9420 9399

Share Register

Computershare Investor Services Pty Ltd
Reserve Bank Building
Level 2
45 St George's Terrace
Perth WA 6000
Investor enquiries: 1300 557 010
Telephone: 08 9323 2000
Facsimile: 08 9323 2033

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Telephone: 08 6382 4600
Facsimile: 08 6382 4601

Stock Exchange Listing

New Horizon Coal Limited shares are listed on the Australian Securities Exchange (ASX), home branch, Perth.
Code: Shares – NHO (currently suspended)

Website

www.newhorizoncoal.com.au

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of New Horizon Coal Ltd and the entities it controlled at the end of, or during, the half year ended 31 December 2015 (**New Horizon Coal** or **the Company** or **Group**).

DIRECTORS

The names of each person who has been a director during the interim reporting period and to the date of this report are:

Tony Brennan
Gary Steinepreis
Michael Placha
Carl Coward

COMPANY SECRETARY

The company secretary is Gary Steinepreis.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The principal continuing activity of the Group during the period has been investigating new projects in all business sectors for acquisition or investment.

The Board has been evaluating new projects in all business sectors, carrying out due diligence and reviewing presentations for projects in the technology sector, finance sector and advance stage mining projects.

The Company has not identified a suitable transaction and the ASX determined that the current level of operations were not sufficient to maintain the continued listing and the shares were suspended from official quotation on 13 October 2015.

The Board's will continue to evaluate all project opportunities which will then enable it to satisfy the requirements of Chapter 12 of the Listing Rules and seeking the reinstatement to trading.

OPERATING RESULT

The loss from operations for the half year ended 31 December 2015 after providing for income tax was \$113,486 (2014: Profit \$3,127,773). The total comprehensive loss for the half year ended 31 December 2015 after providing for income tax was \$113,554 (2014: Income \$3,127,695).

Additional information on the operations and financial position of the Group and its business strategies and prospects is set out in this directors' report and the interim financial report.

REVIEW OF OPERATIONS (continued)

AFTER REPORTING DATE EVENTS

Other than as reported above, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group'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 on page 4 of this interim report.

Signed in accordance with a resolution of the board of directors



Gary Steinepreis
Director
9 March 2016

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF NEW HORIZON COAL LIMITED

As lead auditor for the review of New Horizon Coal Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of New Horizon Coal Limited and the entity it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 9 March 2016

New Horizon Coal Ltd
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Half Year Ended 31 December 2015

	Note	2015 \$	2014 \$
Revenue from operations	3	4,730	5,902
Share-based payment reversal		-	3,300,000
Expenses from operations			
Administration		(15,588)	(34,884)
Corporate compliance		(23,278)	(31,828)
Corporate management		(12,000)	6,000
Audit & non-audit services		(8,556)	(14,814)
Occupancy		-	(6,000)
Salaries and superannuation		(33,900)	(28,408)
Closure costs for Kinney Coal project		(24,894)	-
Impairment of exploration costs		-	(68,195)
Total expenses from operations		<u>(118,216)</u>	<u>(178,128)</u>
Profit/(loss) before income tax		(113,486)	3,127,773
Income tax expense		-	-
Profit/(loss) after income tax for the half-year		(113,486)	3,127,773
Other Comprehensive Income/ (Loss)			
Items that will be reclassified to profit or loss			
Foreign currency translation difference		<u>(68)</u>	<u>(78)</u>
Total comprehensive income/(loss) for the period attributable to the members of New Horizon Coal Ltd		<u>(113,554)</u>	<u>3,127,695</u>
		Cents	Cents
Loss per share for loss from operations attributable to the ordinary equity holders of the Company:			
Basic profit/(loss) per share		(0.048)	1.48
Diluted loss per share		n/a	n/a

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

New Horizon Coal Ltd
Consolidated Statement of Financial Position
As At 31 December 2015

	Note	31 Dec 2015 \$	30 June 2015 \$
ASSETS			
Current assets			
Cash and cash equivalents		646,779	778,658
Trade and other receivables		4,870	3,048
Total current assets		651,649	781,706
Non-current assets			
Exploration and evaluation expenditure		-	-
Property, plant and equipment		-	-
Total non-current assets		-	-
Total assets		651,649	781,706
LIABILITIES			
Current liabilities			
Trade and other payables		16,021	32,524
Total current liabilities		16,021	32,524
Total liabilities		16,021	32,524
NET ASSETS		635,628	749,182
EQUITY			
Contributed equity	4	20,372,705	20,372,705
Option premium reserve		183,812	183,812
Performance share reserve		-	-
Share based payment reserve		92,209	92,209
Foreign currency translation reserve		1,890,723	1,890,791
Accumulated losses		(21,903,821)	(21,790,335)
TOTAL EQUITY		635,628	749,182

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

New Horizon Coal Ltd
Consolidated Statement of Changes in Equity
Half Year Ended 31 December 2015

2015	Contributed equity \$	Option premium reserve \$	Share reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance 1 July	20,372,705	183,812	92,209	1,890,791	(21,790,335)	749,182
Loss for the half-year	-	-	-	-	(113,486)	(113,486)
Exchange difference on foreign operations	-	-	-	(68)	-	(68)
Total comprehensive gain (loss) for the half year	-	-	-	(68)	(113,486)	(113,554)
Transactions with owners in their capacity as owners:						
Share-based payment reversal	-	-	-	-	-	-
Share issued placement	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-
Balance 31 December	20,372,705	183,812	92,209	1,890,723	(21,903,821)	635,628
2014	Contributed equity \$	Option premium reserve \$	Share reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance 1 July	19,285,525	183,812	3,392,209	1,872,161	(24,796,913)	(63,206)
Loss for the half-year	-	-	-	-	3,127,773	3,127,773
Exchange difference on foreign operations	-	-	-	(78)	-	(78)
Total comprehensive gain (loss) for the half year	-	-	-	(78)	3,127,773	3,127,695
Transactions with owners in their capacity as owners:						
Share-based payment reversal	-	-	(3,300,000)	-	-	(3,300,000)
Share issued placement	1,180,000	-	-	-	-	1,180,000
Share based payments	-	-	-	-	-	-
Transaction costs	(92,820)	-	-	-	-	(92,820)
Balance 31 December	20,372,705	183,812	92,209	1,872,083	(21,669,140)	851,669

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

New Horizon Coal Ltd
Consolidated Statement of Cash Flows
Half Year Ended 31 December 2015

	2015	2014
	\$	\$
Cash flow from operating activities		
Interest received	4,730	5,902
Payments to suppliers and employees	(136,648)	(141,073)
	(131,918)	(135,171)
Cash flows from investing activities		
Exploration and evaluation	-	(90,495)
	-	(90,495)
Cash flows from financing activities		
Proceeds from short term loans	-	70,000
Repayment of borrowings	-	(100,000)
Proceeds from issues of shares	-	1,180,000
Cost of shares issued	-	(90,530)
	-	1,059,470
Net (decrease)/increase in cash and cash equivalents	(131,918)	833,804
Cash and cash equivalents at the beginning of the period	778,658	40,872
Effect of exchange rate changes on cash and cash equivalents	39	(895)
Cash and cash equivalents at the end of the period	646,779	873,781

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

1 Summary of significant accounting policies

This general purpose interim financial report includes the financial statements and notes of New Horizon Coal Ltd, a public limited entity, and its controlled entities for the half-year ended 31 December 2015.

(a) Basis of preparation

The consolidated interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. They do not include all of the information required for full annual financial statements and should be read in conjunction with annual report dated 30 June 2015 any public announcements made by the Company during the period from 1 July 2015 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied by the Group and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

In the half year ended 31 December 2015, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

(b) Going Concern

The Directors are aware the Group has been suspended from trading on the ASX until the Group is able to demonstrate compliance with Chapter 12 of the ASX Listing Rules. The Board is focused on finding new opportunities for the Group, having been in several discussions with outside parties regarding project acquisitions and the like. The Board is confident the Group will consummate a transaction in the near future, as such the financial report has been prepared on a going concern basis.

2 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group currently operates in one operating segment being the mining and exploration sector.

The chief operating decision makers look at areas of interest when reviewing exploration activities and the allocation of resources to the segment and to assess its performance. For the Period under review, the Group operated as one business.

The Board of Directors review internal management reports on a monthly basis that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

New Horizon Coal Ltd
Notes to the Consolidated Interim Financial Statements
For the Half Year Ended 31 December 2015

3	Revenue from operations	Dec 2015	Dec 2014
		\$	\$
	Interest received	4,730	5,902
		4,730	5,902
		4,730	5,902

4 Contributed Equity

	31 Dec 2015	31 Dec 2015	30 June 2015	30 June 2015
Share Capital	Shares	\$	Shares	\$
Ordinary shares fully paid	236,000,000	20,372,705	236,000,000	20,372,705

5 After Reporting Date Events

There has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

6 Contingent Liabilities

There are no contingent liabilities for the half year.

7 Related Party Transactions

There are no related party transactions for the half year.

8 Fair Value Measurement of Financial Instruments

The Company does not have any financial instruments that are subject to recurring fair value measurements.

Due to its short-term nature, the carrying amount of current trade and other receivables is assumed to approximate its fair value.

New Horizon Coal Ltd
Directors' Declaration
31 December 2015

The Directors' of the Group declare that:

- 1 The interim financial statements and notes as set out on pages 5 to 10 are in accordance with the *Corporations Act 2001*, and
 - (i) comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position of the Group as at 31 December 2015 and of its performance to the half-year ended on that date.
- 2 In the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Gary Steinepreis
Director
West Perth
9 March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of New Horizon Coal Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of New Horizon Coal Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the half-year's 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 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 New Horizon Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of New Horizon Coal Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 New Horizon Coal Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 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*

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 9 March 2016