

BRONSON GROUP LIMITED

(Subject to a Deed of Company Arrangement)

A.B.N. 60 006 569 124

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2016

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed Of Company Arrangement)

COMPANY INFORMATION

Directors in Office:	Sharon White (Non-executive Director, appointed 25/2/2016) Michael Ellison (Non-executive Director appointed 19 April 2016) John White (, Chairman, Non-executive Director, appointed on 8th July 2015)
Administrators	Suelen McCallum and Riad Tayeh De Vries Tayeh Level 3, 95 Macquarie Street Parramatta NSW 2150
Company Secretary:	John White (appointed 16 th November 2015)
Auditors:	Hall Chadwick Level 40 2 Park Street Sydney NSW 2000
Share Registry:	Computershare Investor Services Pty Ltd. Level 12 565 Bourke Street Melbourne, Vic. 3000
Bankers	National Australia Bank Level 1, 252 Forest Road Hurstville NSW 2223
Registered Office:	Unit 1, 2 Turbo Road Kings Park, NSW, 2148 Telephone (02) 9672 8777 Facsimile (02) 9671 1808
Stock Exchange Listing:	The Australian Stock Exchange Limited ASX Code: BGR

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

Financial Report for the Year Ended 30 June 2016

DIRECTORS' REPORT

Your directors present their report of the company and its controlled entities for the financial year ended 30 June 2016.

Directors

The names of directors in office at any time during or since the end of the year are:

Name	Particulars
Sharon White	Non-executive Director appointed 25 February 2016
Michael Ellison	Non-executive Director appointed 19 April 2016
John White,	Non-executive Director, appointed on 8 July 2015
Pierre Safi,	Chairman, Non-executive director appointed 19 th October 2015, resigned 28 March 2016
Desmond Smale,	Executive Director resigned 23 February 2016
Roger Smith,	Non-executive Director, resigned on 21 September 2015
Hon Tong Chu ,	Non-executive Director, resigned 19 October 2015

Company Secretary

The following person held the position of company secretary at the end of the financial year:

John White

Principal Activities

The principal activity of the group during the year consisted of the marketing and distribution of consumer based products.

Operating Results

The consolidated loss of the group after providing for income tax amounted to \$1,710,765 (2015: Loss of \$1,476,795).

Dividends

No interim dividend (2015: Nil) was paid during the year. No final dividend is recommended by the Directors.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

DIRECTORS' REPORT

Review of Operations

The consolidated loss of the group after providing for income tax amounted to \$1,710,765 (2015: \$1,476,795).

This loss for the current period was primarily attributed to the write off of the assets of the company following the appointment of voluntary administrators on 9 June 2016.

The Company launched 64 new lines of Bath Accessories, Beauty Implements and Hair Care accessories in December 2015.

The Company terminated the Triple R agreement which unfortunately did not deliver on its promise. Regrettably most projects resulted in losses and it was imperative that we suspended the program altogether.

Trading deteriorated during the second half of the year and the Directors placed the Company in Voluntary Administration on 9 June 2016.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

DIRECTORS' REPORT

Significant Changes in the State of Affairs

The Directors placed the Company in Voluntary Administration on 9 June 2016. As a result the securities of the Company were suspended from trading on the ASX on that date.

On the 7th October 2016 the Company executed a Deed of Company Arrangement with Panorama Technology Services Pty Ltd (ACN 609 225 747). The key terms of the agreement are as follows.

The establishment of a creditors' trust fund which will have available to it the following Available Property:

- (a) the Initial Payment \$14,445.20;
- (b) any pre-appointment debtors collected;
- (c) any pre-appointment assets which are subsequently realised; and
- (d) Settlement Sum of \$235,554.80.

The approval of the shareholders of BGR will be sought in a general meeting for:

- (a) a consolidation of BGR's existing issued shares on a one for thirty basis (Consolidation);
- (b) on a post Consolidation basis, the issue of:
 - (i) 75,000,000 shares at an issue price of not less than \$0.02 each to raise up to \$1,500,000; and
 - (ii) 75,000,000 options to acquire shares at an exercise price of not less than \$0.02 with an issue price of \$0.00001 each, to raise \$750, each with an expiry date of 4 years from the date of issue, in each case, to nominees of the Proponent;
- (c) the removal of the existing directors of BGR; and
- (d) the appointment of additional directors to BGR as nominated by the Proponent.

On 10 November 2016, the Administrators agreed to a variation of the deed, relating to a condition subsequent being shareholder approval of the proposed recapitalisation of the deed. The date for receipt of shareholder approval has been agreed to be 28 February 2017.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

DIRECTORS' REPORT

Information on Directors

Michael Ellison — Non-Executive Director appointed 19 April 2016

Interest in Shares and Options — Nil

Directorships held in other listed entities — Nil

Sharon White — Non-executive director appointed 26 February 2016

Interest in Shares and Options — 55,257,501 Shares in Bronson Group Limited

Directorships held in other listed entities — Nil

John White — Chairman, Non-executive Director, appointed on 8 July 2015

Experience and qualifications — Highly skilled entrepreneur and currently owns and operates a number of successful companies.

Interest in Shares and Options — 44,550,001 Ordinary Shares in Bronson Group Limited.

Directorships held in other listed entities — Nil

REMUNERATION REPORT

The remuneration report below reflects the policy adopted by the directors of the Company who were in office prior to the Company entering administration on 9 June 2016. The policy applied up to that date. From that date the Administrators became responsible for the remuneration policy of the Company.

If the proposed recapitalisation is successful, the directors in office at the date of this report and/or those appointed following recapitalisation will develop and adopt a new policy.

The remuneration policy of Bronson Group Limited (subject to Deed of Company Arrangement) has been designed to align key management personnel (KMP) objectives with shareholder and business objectives. The Board of Bronson Group Limited (subject to Deed of Company Arrangement) believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated group and to attain the targets set by the Board and management.

This report details the nature and amount of remuneration for each key management person of Bronson Group Limited (subject to Deed of Company Arrangement), and for the executives receiving the highest remuneration.

Throughout the financial year, the company did not have a remuneration committee as the directors believed the size of the consolidated entity and the size of the Board did not warrant its existence.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is based on the following:

All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation and options.

Incentives paid in the form of options are intended to align the interests of the directors and company with those of the shareholders.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

DIRECTORS' REPORT

KMP received a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payment towards superannuation.

- Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination will lapse. The Non-executive Directors are not entitled to retirement benefits. -
- All remuneration paid to KMP is valued at the cost to the company and expensed. -

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

DIRECTORS' REPORT

Key Management Personnel Remuneration

Key Management Person	Cash, salary and commissions	Superannuation	Options	Total
	\$	\$	\$	\$

2016

John White
Sharon White
Michael Ellison
Desmond Smale

On 9 June 2016, the Company entered Voluntary Administration. The Company does not have sufficient information to allow the level of disclosure required for the year to 30 June 2016

Roger Smith
Pierre Safi
Hon Tong Chu

2015

Desmond Smale	136,890	26,767	-	163,657
Roger Smith	-	-	-	-
John White	-	-	-	-
Clay Moore	136,890	26,767	-	163,657
	273,780	53,534	-	327,314

KMP Options and Rights Holdings

The Number of Options over ordinary shares held by each KMP of the group during the financial year.

	Balance 1.7.2015	Granted as Compensation and Exercisable	Options Expired	Balance 30.06.2016
John White	-	-	-	-
Sharon White	-	-	-	-
Michael Ellison	-	-	-	-
Desmond Smale	-	-	-	-
Roger Smith	-	-	-	-
Clay Moore	-	-	-	-
Hon Tong Chu	-	-	-	-
Total	-	-	-	-

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

	Balance 1.7.2014	Granted as Compensation and Exercisable	Options Expired	Balance 30.06.2015
John White	-	-	-	-
Sharon White	-	-	-	-
Michael Ellison	-	-	-	-
Desmond Smale	10,000,000	-	(10,000,000)	-
Roger Smith	10,000,000	-	(10,000,000)	-
Clay Moore	-	-	-	-
Hon Tong Chu	10,000,000	-	(10,000,000)	-
Total	30,000,000	-	(30,000,000)	-

KMP Shareholdings

The number of ordinary shares held by each KMP of the group during the financial year.

	Balance 01.07.2015	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.06.2016
John White	44,550,001	-	-	-	44,550,001
Sharon White	55,257,501	-	-	-	55,257,501
Michael Ellison	-	-	-	-	-
Desmond Smale	30,207,900	-	-	-	30,207,900
Roger Smith	5,160,533	-	-	-	5,160,533
Hon Tong Chu	30,000,000	-	-	-	30,000,000
Total	165,175,935	-	-	-	165,175,935

	Balance 01.07.2014	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.06.2015
Desmond Smale	101,707,900	-	-	(71,500,000)	30,207,900
Roger Smith	1,160,533	4,000,000	-	-	5,160,533
Clay Moore	-	-	-	-	-
Hon Tong Chu	10,000,000	15,000,000	-	5,000,000	30,000,000
Total	112,868,433	19,000,000	-	(66,500,000)	65,368,433

* Net Change Other refers to shares purchased, sold or transferred during the financial year.

Meetings of Directors

Due to the Company being placed in Voluntary Administration on 9th June 2016, information in respect of meetings of directors and attendance is not available as at the date of this report.

Indemnification and Insurance of Officers and Auditors

During the year the Company did not take out Directors and Officers Liability Insurance and did not take out any indemnification against company auditors.

Options

At the date of this report, there are no options on issue.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

Incomplete Records

The management and affairs of the Company and all its controlled entities were not under the control of its Directors since it entered voluntary administration on 9 June 2016 until the date the Deed of Company Arrangement (DOCA) was executed, being 7 October 2016.

To prepare the financial report, the Directors have reconstructed the financial records of the Company using data extracted from the Company's accounting systems and the record of receipts and payments made available by the Administrators of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Company and its subsidiary for the period prior to the appointment of the Administrators.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 nor is it possible to state whether this financial report gives a true and fair view of the Company's financial position.

Events Subsequent to Balance Date

On the 7 October 2016 the Company executed a Deed of Company Arrangement with Panorama Technology Services Pty Ltd (ACN 609 225 747). The key terms of the agreement are as follows.

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- (a) the Initial Payment \$14,445.20;
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- (d) the Settlement Sum \$235,554.80.

The approval of the shareholders of BGR will be sought in general meeting for:

- (a) a consolidation of BGR's existing issued shares on a one for thirty basis (Consolidation);
- (b) on a post Consolidation basis, the issue of:
 - (i) 75,000,000 shares at an issue price of not less than \$0.02 each to raise up to \$1,500,000; and
 - (ii) 75,000,000 options each with an exercise price of not less than \$0.02 to acquire shares at an issue price of \$0.00001 each, to raise \$750, with an expiry date of 4 years from the date of issue, in each case, to nominees of the Proponent;
- (c) the removal of the existing directors of BGR; and
- (d) the appointment of additional directors to BGR as nominated by the Proponent..

On 10 November 2016, Voluntary Administrators agreed a variation of the deed, relating to a condition subsequent being shareholder approval of the proposed recapitalisation of the deed. The date for receipt of shareholder approval has been agreed to be 28 February 2017.

Likely developments and expected results

If successful, the recapitalisation of the company will result in sufficient capital to allow the Company to continue its business operations and apply for reinstatement of its securities to official quotation on the ASX.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

DIRECTORS' REPORT

Environmental Regulations

To the best of the Directors' knowledge, all activities have been undertaken in compliance with the requirements of environmental regulations.

Gender Diversity

As at 30 June 2016, the proportion of women employed by the Company was as follows:

- Board of directors: 33%
- Senior executive: 0%
- Total employees: 0%

Corporate Governance

In recognising the need for the highest standard of corporate behaviour and accountability, the directors of Bronson Group Limited (subject to Deed of Company Arrangement) support and have adhered to the principles of good corporate governance. The company's corporate governance statement is on page 39.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

Non Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by management prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2016.

	\$
Taxation Services	-
Professional Fees	<u>18,810</u>
Total	<u>18,810</u>

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 12 of the financial report.



Desmond Smale

Dated: 7 March 2017

**BRONSON GROUP LIMITED
ABN 60 006 569 124**

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Date: 7 March 2017

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**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 JUNE 2016**

		Consolidated Group	
	Note	30.06.2016	30.06.2015
		\$	\$
Revenue	2	3,123,101	3,140,090
Expenses			
Cost of product sold		2,452,603	2,115,391
Advertising and media expenses		89,825	21,405
Travel expenses		29,501	12,019
Financial expenses		107,469	285,692
Depreciation and amortisation		5,244	7,648
Employee benefit expenses		356,013	512,008
Legal compliance and professional fees		34,668	465,249
Rental and operating lease expenses		-	183,408
Obsolete stock		-	406,944
Bad debt		-	3,945
Impairment of assets		1,414,431	267,618
Warehouse and distribution costs		42,523	33,040
Other expenses		301,589	95,067
Foreign currency losses		-	200,058
Total Expenses		4,833,866	4,609,492
(Loss) before income tax	3	(1,710,765)	(1,469,402)
Income tax benefit/(expense)	4	-	-
Net (Loss) from continuing operations		(1,710,765)	(1,469,402)
Discontinued operations			
(Loss) from discontinued operations after tax		-	(7,393)
Net (Loss) for the year		(1,710,765)	(1,476,795)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Adjustments from translation of foreign controlled entities		-	200,058
Other comprehensive income for the year, net of tax		-	200,058
Total comprehensive income for the year		(1,710,765)	(1,276,737)
Loss attributable to members of the parent entity		(1,710,765)	(1,476,795)
Total comprehensive income for the year		(1,710,765)	(1,276,737)
Loss attributable to members of the parent entity		(1,710,765)	(1,476,795)
Total comprehensive income attributable to members of the parent Entity		(1,710,765)	(1,276,737)

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 JUNE 2016

		Consolidated Group	
	Note	30.06.2016	30.06.2015
		\$	\$
Earnings per share			
From continuing operations			
Basic earnings per share (cents)	8a	(0.0078)	(0.01315)
Diluted earnings per share (cents)	8b	(0.0078)	(0.01315)

The accompanying notes form part of these financial statements.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

		Consolidated Group	
	Note	30.06.2016	30.06.2015
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	9	-	3,460
Trade and other receivables	10	-	636,267
Inventories	11	-	483,398
Other current assets	16	-	9,962
TOTAL CURRENT ASSETS		-	1,133,087
NON-CURRENT ASSETS			
Plant and equipment	14	-	27,270
Intangible assets	15	-	162,519
TOTAL NON-CURRENT ASSETS		-	189,789
TOTAL ASSETS		-	1,322,876
CURRENT LIABILITIES			
Trade and other payables	17	1,670,217	1,123,534
Short-term provisions	18	75,769	55,775
Financial liabilities	20	438,445	730,656
TOTAL CURRENT LIABILITIES		2,184,431	1,909,965
NON-CURRENT LIABILITIES			
Financial liabilities	20	658,518	797,564
Other liabilities		252,469	-
TOTAL NON-CURRENT LIABILITIES		910,987	797,564
TOTAL LIABILITIES		3,095,418	2,707,529
NET ASSETS		(3,095,418)	(1,384,653)
EQUITY			
Issued capital	21	11,988,070	11,988,070
Reserves	22	-	-
Retained earnings		(15,083,488)	(13,372,723)
Parent interest		(3,095,418)	(1,384,653)
Non controlling interests		-	-
TOTAL EQUITY		(3,095,418)	(1,384,653)

The accompanying notes form part of these financial statements.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2016**

Consolidated Group

	Share Capital Ordinary	Accumulated (Losses)/ Profit	Option Reserve	Foreign Currency Translation Reserve	Non Controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1.7.2014	8,431,687	(12,278,483)	382,555	(201,632)	71	(3,665,802)
Loss attributable to members of parent entity	-	(1,276,737)	-	-	-	(1,276,737)
Shares issued during the period	3,556,383	-	-	-	-	3,556,383
Transfer of expired options from option reserve to accumulated losses	-	382,555	(382,555)	-	-	-
Transfer of Foreign Currency Translation Reserve	-	(200,058)	-	200,058	-	-
Total other comprehensive income for the year	-	-	-	1,574	(71)	1,503
Balance at 30.06.2015	11,988,070	(13,372,723)	-	-	-	(1,384,653)
Balance at 1.7.2015	11,988,070	(13,372,723)	-	-	-	(1,384,653)
Loss attributable to members of parent entity	-	(1,710,765)	-	-	-	(1,710,765)
Shares issued during the period	-	-	-	-	-	-
Balance at 30.06.2016	11,988,070	(15,083,488)	-	-	-	(3,095,418)

The accompanying notes form part of these financial statements.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

(Subject to a Deed of Company Arrangement)

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 JUNE 2016**

		Consolidated Group	
	Note	30.06.2016	30.06.2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,123,101	3,043,296
Payments to suppliers		(3,074,044)	(3,482,935)
Interest received		4,115	77
Interest paid		(34,412)	(239,315)
Other income		-	67,604
Net cash (outflow)/inflow from operating activities	25b	18,759	(611,273)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		-	(946)
Proceeds from sale of plant and equipment		-	500
Net cash (outflow)/inflow from investing activities		-	(446)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	435,000
Proceeds from borrowings		101,342	199,045
Repayment of borrowings		-	(1,867)
Net cash inflow/(outflow) from financing activities		101,342	632,178
Net increase/(decrease) in cash held		120,101	20,459
Cash at beginning of year		(431,398)	(452,643)
Effect of exchange rates on cash holdings in foreign currencies		-	786
Cash at end of year	25a	(311,297)	(431,398)

The accompanying notes form part of these financial statements.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Bronson Group Limited (subject to Deed of Company Arrangement) and controlled entities ('Consolidated Group' or 'Group').

The separate financial statements of the parent entity, Bronson Group Limited (subject to Deed of Company Arrangement), have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report was authorised for issue on 26 November 2016 by the Board of Directors.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Going Concern

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

The net loss after income tax for the consolidated entity for the financial year ended 30 June 2016 was \$1,710,765, and as at 30 June 2016, total liabilities exceeded total assets by \$3,095,418.

The Directors placed the Company in Voluntary Administration on 9 June 2016 under S436A of the Corporations Act 2001. As a result the securities of the Company were suspended from trading on ASX on that date in accordance with listing Rule 17.3 pending the Company's compliance with Listing Rule 12.1.

On 7 October 2016 the Company executed a Deed of Company Arrangement with Panorama Technology Services Pty Ltd. In the event that the Company is unable to obtain profitable business opportunities and/or raise additional capital, it will be required to realise its assets and extinguish its liabilities in a manner other than in the normal course of business. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The ability of the consolidated entity to continue as a going concern is dependent on the approval of shareholders to the proposed recapitalisation.

b. Incomplete Records

The management and affairs of the Company and all its controlled entities were not under the control of its Directors since it entered voluntary administration on 9 June 2016 until the date the Deed of Company Arrangement (DOCA) was executed, being 7 October 2016.

The financial report was prepared by Directors at the time the Group entered voluntary administration.

To prepare the financial report, the Directors have reconstructed the financial records of the Company using data extracted from the Company's accounting systems and the record of receipts and payments made available by the Administrators of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Company and its subsidiary for the period prior to the appointment of the Administrators.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, being for the year ended 30 June 2016.

c. Principles of Consolidation

Bronson Group Limited ABN 60 006 569 124
and Controlled Entities (subject to Deed of Company Arrangement)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Bronson Group Limited (subject to Deed of Company Arrangement) at the end of the reporting period. A controlled entity is any entity over which Bronson Group Limited (subject to Deed of Company Arrangement) has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 13 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Reverse Acquisition

The consolidated financial statements have been prepared using reverse acquisition accounting. In reverse acquisition accounting, the cost of the business combination is deemed to have been incurred by the legal subsidiary Bronson Marketing Pty Ltd (the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent, Bronson Group Limited (subject to Deed of Company Arrangement) (the acquiree for accounting purposes).

As set out in Note 15, goodwill has been fully impaired.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities (subject to Deed of Company Arrangement)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Bronson Group Limited (subject to Deed of Company Arrangement) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group under the tax consolidation regime. The tax consolidated group has entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

d. Inventories

Inventories are measured at the lower of cost and net realisable value.

e. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line or diminishing value basis as appropriate over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	11–40%
Office equipment	10–50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where 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.

g. Intangibles

Patents and web design

Patents and web design are recognised at cost. Patents and web design have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and web design are amortised over their useful life.

Class of Intangible Asset	Useful Life
Patents	10 years
Web design	2 years
Supply agreement	5 years

h. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the statement of profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and

Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

i. Employee Benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, termination and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

j. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

l. Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

m. Trade, Other Receivables and Other Assets

(i) Trade and other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(ii) Other Assets

Other assets are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment. Refer to Note 16 for further discussion on Other Assets.

n. Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Goods and Services Tax (GST)

Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black Scholes Option Pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

q. Comparative Figures

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

Where the group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

r. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Group

2016 2015
\$ \$

NOTE 2: REVENUE

Revenue from operating activities

Product Sales	3,099,176	3,072,409
Interest received or due and receivable from other persons	4,115	77
Other revenue	19,810	67,604
	<u>3,123,101</u>	<u>3,140,090</u>

NOTE 3: OPERATING (LOSS)

(Loss) before income tax expense includes the following expenses

Cost of product sold	2,452,603	2,115,391
Financial expenses	107,469	285,692
Depreciation and amortisation	5,244	7,648
Employee benefit expenses	356,013	512,008
Rental and operating lease expenses	-	183,408
Impairment of assets	1,414,431	267,610
Provision for slow moving stock	-	406,944
Bad debt	-	3,945
Legal compliance and professional fees	34,668	465,249
Warehouse and distribution costs	<u>42,523</u>	<u>33,040</u>

**Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 4: INCOME TAX EXPENSE

		Consolidated Group	
		2016	2015
		\$	\$
a.	The components of income tax expense comprise:		
	Current tax	-	-
	Deferred tax		(363,602)
	Utilisation of deferred tax assets previously not recognised		-
	Deferred tax assets not recognised (losses)		598,956
	Deferred tax assets not recognised (temporary)		(235,354)
		-	-
b.	The prima facie tax on (loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax payable on (loss) from ordinary activities before income tax at 30% (2015: 30%)	(513,229)	(443,039)
	Add:		
	Tax effect of:		
	— Sale of fixed assets	-	-
	— Other non-allowable items	-	(539)
	— Share options expensed during year	-	-
	— Amortisation of exclusive supply right	-	80,286
	Less:		
	Tax effect of:		
	— Difference in tax rate	-	(310)
	— Utilisation of deferred tax assets previously not recognised	-	-
	— Deferred tax assets not recognised (losses)	513,229	598,956
	— Deferred tax assets not recognised (temporary)	-	(235,354)
	Income tax expense/(benefit)		
		-	-

The deferred tax assets on carried forward tax losses is \$(4,916,382)
2015: (4,408,202)).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 5: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

- a. Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Sharon White	Non-executive Director appointed 25 February 2016
Michael Ellison	Non-executive Director appointed 19 April 2016
John White,	Non-executive Director, appointed on 8 July 2015
Pierre Safi,	Chairman, Non-executive director appointed 19 October 2015, resigned 28 th 28 March 2016
Desmond Smale,	Executive Director resigned 23 February 2016
Roger Smith,	Non-executive Director, resigned on 21 September 2015
Hon Tong Chu ,	Non-executive Director, resigned 19 October 2015

The totals of remuneration paid to KMP of the company and the Group during the year are as follows.

	2016	2015
	\$	\$
Short-term employee benefits	*	136,890
Post-employment benefits	*	26,767
	<u>*</u>	<u>163,657</u>

*On 9 June 2016, the Company entered Voluntary Administration. The Company does not have sufficient information to allow the level of disclosure required for the year to 30 June 2016.

NOTE 6: AUDITORS' REMUNERATION

	Consolidated Group	
	2016	2015
	\$	\$
Remuneration of the auditor of the parent entity for:		
— audit and review of the financial report	18,810	64,701
— professional fee	-	15,000
— taxation services	-	2,000
Total	<u>18,810</u>	<u>81,701</u>

NOTE 7: DIVIDENDS

No dividends have been paid during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 8: EARNINGS PER SHARE

		Consolidated Group	
		2016	2015
a.	Net (loss) used in the calculation of basic EPS	\$ (1,710,765)	(1,476,795)
	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	No. 218,752,410	112,340,121
b.	Net (loss) used in the calculation of diluted EPS	\$ (1,710,765)	(1,476,795)
	Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share.	No. 218,752,410	112,340,121

		Consolidated Group	
		2016	2015
		\$	\$
NOTE 9: CASH AND CASH EQUIVALENTS			
Cash at bank and on hand		-	3,460
		-	3,460

NOTE 10: TRADE AND OTHER RECEIVABLES

		Consolidated Group	
		2016	2015
		\$	\$
CURRENT			
Trade receivables		-	679,127
Less provision for settlement discount		-	(42,860)
		-	636,267

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	> 90	
2016							
Trade receivables	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
2015							
Trade receivables	679,127	-	261,554	340,539	66,939	10,095	
Total	679,127	-	261,554	340,539	66,939	10,095	

NOTE 11: INVENTORIES

		Consolidated Group	
		2016	2015
CURRENT			

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities (subject to Deed of Company Arrangement)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11: INVENTORIES

	\$	\$
Finished Goods, at cost	-	452,574
Stock in transit, at cost	-	30,824
	-	<u>483,398</u>

NOTE 12: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	Parent Entity	
	2016	2015
	\$	\$
Financial position of the parent entity at year end		
Current assets	18,343	2,033
Total assets	18,543	228,768
Current Liabilities	237,902	122,177
Total liabilities	255,131	246,222
Total equity of the parent entity comprising of:		
Share capital	40,285,186	40,285,186
Reserves	534,627	534,627
Retained earnings	(41,056,402)	(40,837,267)
Total equity	(236,589)	(17,454)

Statement of Profit or Loss and Other Comprehensive Income

Total loss	(219,135)	(749,686)
Total comprehensive income	<u>(219,135)</u>	<u>(749,686)</u>

Parent entity guarantees in respect of its subsidiaries

The parent entity has guaranteed the liabilities of its subsidiary, Bronson Marketing Pty Ltd, to its bankers.

Contingent liabilities

Bronson Group Limited (subject to Deed of Company Arrangement) does not have any contingent liabilities at 30 June 2016.

NOTE 13: CONTROLLED ENTITIES

a. Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2016	2015
Subsidiaries of Bronson Group Limited (subject to Deed of Company Arrangement)			
Bronson Marketing Pty Ltd	Australia	100%	100%
Icon Marketing International Pty Ltd #	Australia	100%	100%
Bay Street Brands LLC (subsidiary of Icon)	United States		Dissolved

Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 13: CONTROLLED ENTITIES

Marketing International Pty Ltd)

Ab Solutions LLC (subsidiary of Icon Marketing
International Pty Ltd) #

Home & Business Consumer Products LLC

United States

Dissolved

United States

Dissolved

These companies did not trade during the financial year

* Percentage of voting power is in proportion to ownership

b. Controlled Entities

No controlled entities were acquired during the financial year.

NOTE 14: PLANT AND EQUIPMENT

	Consolidated Group	
	2016	2015
	\$	\$
Office furniture and equipment, motor vehicles	-	173,339
Less accumulated depreciation	-	(146,069)
	-	27,270
Opening Balance	-	37,227
Additions	-	946
Disposals	-	(3,255)
Depreciation	-	(7,648)
	-	27,270

NOTE 15: INTANGIBLE ASSETS

Goodwill at cost	-	14,791,630
Less accumulated impairment losses	-	(14,791,630)
	-	-
Patent & web design, at cost	-	76,965
Less accumulated impairment losses	-	(76,965)
	-	-
Supply agreements at cost		430,137
Less accumulated impairment losses	-	(267,618)
Net carrying value	-	162,519

**Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Goodwill & Supply Agreement

Balance at the beginning of the year	162,519	230,137
Additions	-	200,000
Amortisation charge	(162,519)	-
Impairment losses	-	(267,618)
Closing value at 30 June 2016	-	162,519

2016	2015
\$	\$

NOTE 16: OTHER ASSETS

CURRENT

Prepayments and deposits	-	9,962
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NOTE 17: TRADE AND OTHER PAYABLES

CURRENT

Trade Creditors	1,532,645	882,733
Sundry creditors and accrued expenses	137,572	240,801
	<u>1,670,217</u>	<u>1,123,534</u>

NOTE 18: SHORT TERM PROVISIONS

Employee entitlements	75,769	55,775
	<u>75,769</u>	<u>55,775</u>
Opening Balance	55,775	154,706
Additional provisions	19,994	34,738
Amounts used	-	(133,669)
	<u>75,769</u>	<u>55,775</u>

NOTE 19: CURRENT TAX LIABILITY

There is no tax liability.

Consolidated Group	
2016	2015
\$	\$

NOTE 20: BORROWINGS

CURRENT

Secured liabilities	-	-
Bank overdrafts	311,297	434,858
Trade finance	127,149	295,798

Bronson Group Limited ABN 60 006 569 124
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
NOTE 20: BORROWINGS		
Total current borrowings	438,445	730,656
NON-CURRENT		
Unsecured liabilities		
Convertible notes	-	-
Loans from shareholders	-	-
Loans from related parties	658,518	779,955
Other loans	252,469	17,609
Total non-current borrowings	910,987	797,564
Total borrowings	1,349,433	1,528,220

NOTE 21: ISSUED CAPITAL

	Consolidated Group	
	\$	\$
218,752,410 (2015: 218,752,410) fully paid ordinary shares	11,988,070	11,988,070

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

b. Options

- i. For information relating to the Bronson Group Limited (subject to Deed of Company Arrangement) options, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 27 Share-based Payments.
- ii. For information relating to share options issued as acquisition options and outstanding at year-end, refer to Note 27 Share-based Payments.

c. Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 22: RESERVES

a. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

b. **Option Reserve**

The option reserve records items recognised as expenses on valuation of employee share options and items recognised as asset on valuation of share based payment.

All options were expired and foreign controlled subsidiaries were dissolved during the financial year, hence no foreign currency translation reserve or option reserve were recorded at 30 June 2016.

NOTE 23: CAPITAL AND LEASING COMMITMENTS

		Consolidated Group	
		2016	2015
		\$	\$
a.	Operating Lease Commitments		
	Non-cancellable operating leases contracted for but not capitalised in the financial statements		
	Payable		
	Minimum lease payments		
	— not later than twelve months	*	148,452
	— Later than twelve months but not later than 5 years	*	-
		*	148,452

*On 9th June 2016, the Company entered Voluntary Administration. The Company does not have sufficient information to allow the level of disclosure required for the year to 30 June 2016.

b. **Hire Purchase Commitments**

There no hire purchase commitments.

NOTE 24: CONTINGENT LIABILITIES

There are no contingent liabilities within the group at reporting date.

NOTE 25: CASH FLOW INFORMATION

	Note	Consolidated Group	
		2016	2015
		\$	\$
a. Reconciliation of Cash Flow			
Cash at the end of the financial year as showing in the statement of cash flows is balanced to items in the statement of financial position as follows:			
Cash and cash equivalents	9	-	3,460

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 25: CASH FLOW INFORMATION

	Note	Consolidated Group	
		2016	2015
		\$	\$
Bank overdraft	20	(311,297)	(434,858)
		<u>(311,297)</u>	<u>(431,398)</u>
b. Reconciliation of (loss) after income tax expense to net cash provided by operating activities			
(Loss) after income tax		(1,710,765)	(1,476,795)
(Less)/add non-cash flows in (loss) from ordinary activities:			
Depreciation		5,244	7,648
Profit/(Loss) on sale of fixed assets		-	2,755
Provision for profit drawings in advance		-	-
Provision for slow moving stock		-	406,944
Option issue expense		-	-
Impairment of intangible asset		1,414,431	200,000
Loss on disposal of subsidiaries		-	7,393
Reclassification losses of foreign currency translation reserve		-	200,058
Changes in assets and liabilities			
Decrease/(increase) in trade and other receivables		636,267	(30,259)
Decrease/(increase) in prepayments and other current assets		-	6,718
(Increase)/decrease in inventories		-	195,028
Increase/(decrease) in trade and other payables		289,856	(31,832)
(Decrease) in employee entitlements		19,994	(98,931)
(Increase) in other non-current assets		-	-
		<u>18,759</u>	<u>(611,273)</u>
Credit Standby Arrangements with Bank			
Credit facilities		-	1,161,980
Amounts utilised		-	(792,527)
Amounts unutilised		-	369,453

The Company is in Administration and has no facilities at the date of this report.

NOTE 26: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

a. Directors and director related entities

The names of each person holding the position of Director of Bronson Group Limited (subject to Deed of Company Arrangement) during the financial year are:

Sharon White

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 26: RELATED PARTY TRANSACTIONS

John White,
 Pierre Safi,
 Desmond Smale,
 Hon Tong Chu ,
 Michael Ellison

No loans were advanced to any of the Directors during the year.

Loans provided by related parties during the year:

- John White \$237,469

Loans repayment to related parties during the year:

- John White \$9,950

Remuneration received or receivable by the Directors of entities in the Company and aggregate amounts paid to superannuation plans in connection with the retirement of Directors and executive officers of entities in the Company are disclosed in the Remuneration Report in the Directors Report.

b. Directors shareholdings

At the year end, the Directors in office held a total of 83,757,901 fully paid ordinary shares in the Company. Details of the directors' share and option holdings are disclosed in Note 5 to the Financial Statements.

c. Other transactions with directors of the Company and their director-related entities

- (i) Loans and other transactions from Desmond Smale and Scanbeer Pty Ltd, a company controlled by Desmond Smale.

	Consolidated Group	
	2016	2015
	\$	\$
Beginning of the year	640,910	787,777
Loans received	-	-
Loan repayments	-	(1,867)
Loan converted into shares	-	(145,000)
End of the year	640,910	640,910

- (ii) No loan from or loan repayment to Roger Smith during the year.

	Consolidated Group	
	2016	2015
	\$	\$
Beginning of the year	15,000	15,000
Loans received	-	-
Loan repayments	-	-
End of the year	15,000	15,000

- (iii)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 26: RELATED PARTY TRANSACTIONS

- (iv) Loan from Triple R International Co., Ltd, a company controlled by Hon Tong Chu.

	Consolidated Group	
	2016	2015
	\$	\$
Beginning of the year	124,015	-
Loan received	-	124,045
Loan repayments	124,015	-
End of the year	-	124,045

No other transactions have been entered into with director related entities during the year.

NOTE 27: EVENTS SUBSEQUENT TO BALANCE DATE

Events Subsequent to Balance Date

On 7 October 2016 the Company executed a Deed of Company Arrangement with Panorama Technology Services Pty Ltd. The key terms of the agreement are as follows.

The establishment of a creditors trust fund which will have available to it the following Available Property

- (a) the Initial Payment \$14,445.20;
- (b) any pre-appointment debtors collected;
- (c) any pre-appointment assets which are subsequently realised; and
- (d) the Settlement Sum \$235,554.80.

The approval of the shareholders of BGR will be sought in general meeting for:

- (a) a consolidation of BGR's existing issued shares on a one for thirty basis (Consolidation);
- (b) on a post Consolidation basis, the issue of:
 - (i) 75,000,000 shares at an issue price of not less than \$0.02 each to raise up to \$1,000,000; and
 - (ii) 75,000,000 options to acquire shares at an exercise price of not less than \$0.02 with an issue price of \$0.00001 each, to raise \$750 each with an expiry date of 4 years from the date of issue, to nominees of the Proponent;
- (c) the removal of the existing directors of BGR; and
- (d) the appointment of additional directors to BGR as nominated by the Proponent.

On 10 November 2016, Voluntary Administrator agreed a variation of the deed, relating to a condition subsequent being shareholder approval of the proposed recapitalisation of the deed. The date for receipt of shareholder approval has been agreed to be 28 February 2017.

NOTE 28: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

This standard is not expected to impact the group's financial statements.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 29: COMPANY DETAILS

The registered office of the company is:

Bronson Group Limited (subject to Deed of Company Arrangement)
Level 3, 95 Macquarie Street
Paramatta NSW 2150

The principal places of business are:

— Bronson Marketing Pty Ltd
Level 3, 95 Macquarie Street
Paramatta NSW 2150

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities (subject to Deed of Company Arrangement)**

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

In the opinion of the Directors of Bronson Group Limited (subject to Deed of Company Arrangement) and its controlled entities ('the Group'):

1) As set out in note 1, although the Directors have prepared the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2) As previously disclosed the directors are unable to declare that

- a) the financial records of the Company have been properly maintained in accordance with S286 of the Corporations Act 2001;
- b) the financial statements and notes for the year comply with Accounting Standards and
- c) the financial statements and notes for the financial year give a true and fair view.

3) With respect to the ability of the Company's ability to pay its debts as and when they become due and payable, the directors draw attention to Notes 1 (a) and (b) to the financial statements.

4) Subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Desmond Smale

Dated: 7 March 2017

**BRONSON GROUP LIMITED
ABN 60 006 569 124****INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF BRONSON GROUP LIMITED****SYDNEY****Report on the Financial Report**

We have audited the accompanying financial report of Bronson Group Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101: Presentation of Financial Statements, that, where possible, the financial statements have been reconstructed to comply with International Financial Reporting Standards, though financial records are incomplete. Accordingly, the directors disclaim any responsibility for the completeness of the Financial Statements, and do not provide any statement to such effect in accordance with Australian Accounting Standard AASB 101: Presentation of Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Because of the matter discussed in the basis of Disclaimer of Auditor's Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Basis for Disclaimer of Auditor's Opinion

As disclosed in Note 1(b) to the financial statements, on 9 June 2016 the company's securities were suspended from official quotation on the ASX. The company was placed into voluntary administration on 9 June 2016 under s436A of the Corporations Act 2001 until the date the Deed of Company Arrangement was effectuated, being 10 October 2016. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

As stated in Note 1(b), the current Directors are unable to state that the financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

As disclosed in Note 1(a) to the financial statements, the Directors state that the going concern basis used in the financial report is appropriate. This is on the basis that the company is able to successfully restructure and recapitalise the company after shareholder's approval. In our opinion these circumstances indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion as to whether the financial report of Bronson Group Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date;
- b. complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001; and
- c. complying with all the requirements of the International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Due to the matter described in the Basis for Disclaimer of Auditor's Opinion paragraph, we have not been given all information, explanation and assistance necessary for the conduct of the audit; and we are unable to determine whether the company has kept:

- a. financial records sufficient to enable the financial report to be prepared and audited; and
- b. other records and registers as required by the Corporations Act 2001.

Report on the Remuneration Report

We have audited the remuneration report on pages 6 to 9 of the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Disclaimer of Opinion

In our opinion, because of the existence of the limitation on scope of our work, as described in the Basis of Disclaimer of Auditor's Opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion on the remuneration report of Bronson Group Limited for the year ended 30 June 2016 and whether it complies with Section 300A of the Corporations Act 2001.



Hall Chadwick
Level 40, 2 Park Street
SYDNEY NSW 2000



DREW TOWNSEND

Partner

Date: 7 March 2017

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities (subject to Deed of Company Arrangement)**

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1. Shareholding

a. Distribution of Shareholders	Number	
	Ordinary	Redeemable
Category (size of holding)		
1 – 1,000	104	-
1,001 – 5,000	156	-
5,001 – 10,000	80	-
10,001 – 100,000	220	-
100,001 – and over	131	-
	691	-

- b. The number of shareholdings held in less than marketable parcels is 572
- c. The names of the substantial shareholders listed in the holding company's register as at 30 June 2016 are:

Shareholder	Number	
	Ordinary	Preference
SHARON WHITE	55,257,501	-
PELTON ADVISORY PTY LTD	49,500,000	-
MR JOHN ANTHONY WHITE	44,550,001	-

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**Bronson Group Limited ABN 60 006 569 124
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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

e. 20 Largest Shareholders — Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. SHARON WHITE	55,257,601	14.77%
2. PELOTON ADVISORY PTY LTD	49,500,000	13.23%
3. MR JOHN ANTHONY WHITE	44,550,001	11.91%
4. MR TREVOR NEIL HAY	33,864,475	9.05%
5. SCANBEER PTY LIMITED <SMALÉ FAMILY SUPER FUND A/C>	30,207,900	8.07%
6. JOHN IORI	12,361,111	3.30%
7. PIERRE JOSEPH SAFI	9,000,000	2.41%
8. MR BRETT ALAN SHADFORTH	8,551,506	2.29%
9. EANNE MAREA WHITE	6,500,000	1.74%
10. YOLANDE ENID HEATH	6,250,000	1.67%
11. JOHN EUGENE BLACKFORD	6,001,193	1.60%
12. HALITH PTY LTD	5,117,533	1.37%
13. JENNIFER SCULLY	5,000,000	1.34%
14. TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	5,000,000	1.34%
15. ROSS NORMAN STANDFAST + CARMEN FINEGAN <S&F SUPERANUATION FUND A/C>	4,500,000	1.20%
16. CARDRONA ENERGY PTY LIMITED	4,166,667	1.11%
17. AMBER MANAGEMENT PTY LTD	4,050,000	1.08%
18. MR MATTHEW JOSEPH BOGOVIC	4,042,500	1.08%
19. CARL JEFFERY CHATER	3,500,000	0.94%
20. LINDA ARLENE CHATER	3,500,000	0.94%
	300,920.487	80.43%

2. The name of the company secretary is John White.
3. The address of the principal registered office in Australia is Level 3, 95 Macquarie Street, Paramatta NSW 2150
4. Registers of securities are held at the following addresses

Victoria Computershare Investor Services Pty Ltd

Yarra Falls

452, Johnston Street

Abbotsford, VIC 3067
5. **Stock Exchange Listing**
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.
6. **Unquoted Securities**
There are no unquoted securities.

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Bronson Group Limited (subject to Deed of Company Arrangement)
Corporate Governance Statement
FOR THE PERIOD ENDED 30 JUNE 2016

The corporate governance statement below reflects the corporate governance policies that were adopted by the directors of the Company who were in office prior to the company entering administration. These policies applied until the Company entered voluntary administration on 9 June 2016. On entering administration, the Administrators were responsible for the corporate governance of the Company.

The directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these corporate governance policies. These policies may or may not have been in place during the financial period.

If the recapitalisation proposal is successful, the directors who are in office at the date of this report will adopt a new corporate governance policy.

Board Composition

The skills, experience and expertise relevant to the position of each director, and board committee member, who is in office at the date of the annual report and their term of office are detailed in the Director's report.

The independent director of the Company is Michael Ellison.

When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the recommendations contained in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 3rd edition*.

Recommendation	Bronson Group Limited (subject to Deed of Company Arrangement) Current Practice
1.1 <i>A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.</i>	Complies. <i>The Board Charter is available at www.bronsonmarketing.com.au in the Corporate Governance Section.</i>
1.2 <i>A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</i>	Complies. <i>The Board Charter is available at www.bronsonmarketing.com.au in the Corporate Governance Section.</i>
1.3 <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i>	Complies. <i>The Board Charter is available at www.bronsonmarketing.com.au in the Corporate Governance Section.</i>
1.4 <i>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with</i>	Complies. <i>The Corporate Governance Statement which is</i>

**Bronson Group Limited ABN 60 006 569 124
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	<i>the proper functioning of the board.</i>	<i>available at www.bronsonmarketing.com.au.</i>
1.5	<i>A listed entity should:(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;(b) disclose that policy or a summary of it; and(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</i>	<i>Complies. Refer to Annexure 7 of the Corporate Governance Statement which is available at www.bronsonmarketing.com.au. Also refer the Annual report for the relative proportions of women on the board, in senior executive positions and across the whole organisation.</i>
1.6	<i>A listed entity should:(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i>	<i>Complies. Refer to Annexure 1 of the Corporate Governance Statement which is available at www.bronsonmarketing.com.au</i>
1.7	<i>A listed entity should:(a) have and disclose a process for periodically evaluating the performance of its senior executives; and(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i>	<i>Complies. Refer to Annexure 1 of the Corporate Governance Statement which is available at www.bronsonmarketing.com.au The Company conducted its performance evaluation in accordance with its established process during the period</i>
2.1	<i>The board of a listed entity should:(a) have a nomination committee which:(i) has at least three members, a majority of whom are independent directors; and(ii) is chaired by an independent director, and disclose:(iii) the charter of the committee;(iv) the members of the committee; and(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively..</i>	<i>Does not Comply. The full Board considers those matters that would usually be the responsibility of a nomination committee, including board succession issues and ensuring appropriate balance of skills and experience on the board. Given the size of the Board and the Company's current operations, the Board considers that no efficiencies or other benefits would be gained by establishing a separate committee.</i>
2.2	<i>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</i>	<i>The Company lists the experience and skills of its board on page 4 of the Annual Report. Due to its size and the nature of its operations a board skills matrix is not prepared, rather the board assesses its requirements and mix of skills on an on-going basis</i>
2.3	<i>A listed entity should disclose:(a) the names of the directors</i>	<i>Complies.</i>

**Bronson Group Limited ABN 60 006 569 124
and Controlled Entities (subject to Deed of Company Arrangement)**

	considered by the board to be independent directors;(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and(c) the length of service of each director.	Refer to the "Information on Directors" Section as per the Annual report, page 4.
2.4	A majority of the board of a listed entity should be independent directors.	Does Not Comply. Refer to the Corporate Governance Statement which is available at www.bronsonmarketing.com.au .
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Does Not Comply. Refer to the Corporate Governance Statement which is available at www.bronsonmarketing.com.au
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complies. Refer to Annexure 1 of the Corporate Governance Statement which is available at www.bronsonmarketing.com.au
3.1	A listed entity should:(a) have a code of conduct for its directors, senior executives and employees; and(b) disclose that code or a summary of it.	Complies. Refer to Annexure 2 of the Corporate Governance Statement which is available at www.bronsonmarketing.com.au
4.1	The board of a listed entity should:(a) have an audit committee which:(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and(ii) is chaired by an independent director, who is not the chair of the board, and disclose:(iii) the charter of the committee;(iv) the relevant qualifications and experience of the members of the committee; and(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Does not Comply. The full Board considers those matters that would usually be the responsibility of an audit committee. Given the size of the Board and the Company's current operations, the Board considers that no efficiencies or other benefits would be gained by establishing a separate committee. The full board, with the assistance of its external auditor, is responsible for the safe guarding the integrity of its financial reporting and the processes of appointment and removal of the external auditor.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed	Complies. Refer to the Annual Report.

**Bronson Group Limited ABN 60 006 569 124
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	<i>on the basis of a sound system of risk management and internal control which is operating effectively.</i>	
4.3	<i>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</i>	<i>Complies.</i> <i>Refer to Annexure 1 of the Corporate Governance Statement which is available at www.bronsonmarketing.com.au</i>
5.1	<i>A listed entity should:(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and(b) disclose that policy or a summary of it.</i>	<i>Complies.</i> <i>Refer to the Corporate Governance Statement which is available at www.bronsonmarketing.com.au</i>
6.1	<i>A listed entity should provide information about itself and its governance to investors via its website.</i>	<i>Complies.</i> <i>Refer to the Corporate Governance Statement which is available at www.bronsonmarketing.com.au</i>
6.2	<i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</i>	<i>Complies.</i> <i>Refer to the Corporate Governance Statement which is available at www.bronsonmarketing.com.au</i>
6.3	<i>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</i>	<i>Complies.</i> <i>Refer to the Corporate Governance Statement which is available at www.bronsonmarketing.com.au</i>
6.4	<i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i>	<i>Complies.</i> <i>Refer to Companies website www.bronsonmarketing.com.au</i>
7.1	<i>The board of a listed entity should:(a) have a committee or committees to oversee risk, each of which:(i) has at least three members, a majority of whom are independent directors; and(ii) is chaired by an independent director, and disclose:(iii) the charter of the committee;(iv) the members of the committee; and(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or(b) if it does not have risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</i>	<i>Does not Comply.</i> <i>The full Board considers those matters that would usually be the responsibility of an audit and risk committee.</i> <i>Given the size of the Board and the Company's current operations, the Board considers that no efficiencies or other benefits would be gained by establishing a separate committee.</i>
7.2	<i>The board or a committee of the board should:(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and(b) disclose, in relation to each reporting period, whether such a review has taken place.</i>	<i>Complies.</i>
7.3	<i>A listed entity should disclose:(a) if it has an internal audit function, how the function is structured and what role it performs; or(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually</i>	<i>Does Not Comply</i> <i>No internal audit function exists</i> <i>The full Board considers those matters that would usually be the responsibility of an internal control function – due to the size of the</i>

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and Controlled Entities (subject to Deed of Company Arrangement)**

	<i>improving the effectiveness of its risk management and internal control processes.</i>	<i>Company, an internal audit function is not practical</i>
7.4	<i>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</i>	Does Not Comply <i>The Company is exposed to customary economic risks affecting a Company in its industry and the board seeks to manage these risks on an ongoing basis</i>
8.1	<i>The board of a listed entity should:</i> <i>(a) have a remuneration committee which:</i> <i>(i) has at least three members, a majority of whom are independent directors; and</i> <i>(ii) is chaired by an independent director, and disclose:</i> <i>(iii) the charter of the committee;</i> <i>(iv) the members of the committee; and</i> <i>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i> <i>(b) if it does not have risk committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that remuneration is appropriate and not excessive.</i>	Does not Comply. <i>The full Board considers those matters that would usually be the responsibility of a remuneration committee, including the setting and review of all executive remuneration</i> <i>Given the size of the Board and the Company's current operations, the Board considers that no efficiencies or other benefits would be gained by establishing a separate committee.</i>
8.2	<i>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i>	Complies. <i>Also the structure of Directors' remuneration is disclosed in the remuneration report contained in the Directors Report.</i>
8.3	<i>A listed entity which has an equity-based remuneration scheme should:</i> <i>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</i> <i>(b) disclose that policy or a summary of it.</i>	Complies. <i>Refer to Annexure 3 of the Corporate Governance Statement which is available at www.bronsonmarketing.com.au</i>

Further information about the Company's corporate governance practices is set out on the Company's website at www.bronsonmarketing.com.au.