

# BRONSON GROUP LIMITED

A.C.N. 006 569 124

## APPENDIX 4E PRELIMINARY FINAL REPORT

### 1. DETAILS OF REPORTING PERIOD

Name of Entity	Bronson Group Limited ("the Company")
ABN	60 006 569 124
Reporting Period	30 June 2017
Previous Corresponding Period	30 June 2016

### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information	12 months ended 30 June 2017 \$'000	12 months ended 30 June 2016 \$'000	Increase/ (decrease) %	Amount change \$'000
Revenues from ordinary activities	-	3,123	(100)	(3,123)
Profit/(Loss) from ordinary activities after tax attributable to members	2,504	(1,711)	246	4,215
Net profit/(loss) for the period attributable to members	2,504	(1,711)	246	4,215

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

#### Commentary on results:

The Company has been suspended since 9 June 2016 when the company went into voluntary administration. A pooled Deed of Company Arrangement was executed on 7 October 2016 and this was approved by shareholders by General Meeting on 15 May with the new Board being appointed on 2 June 2017. The profit generated has occurred due to the write off of the liabilities of the company following the Deed of Company Arrangement (DOCA). The Company is currently going through the process of re-complying with Chapters 1 and 2 of the Listing Rules.

### 3. STATEMENT OF COMPREHENSIVE INCOME

Refer to attached financial statements.

### 4. STATEMENT OF FINANCIAL POSITION

Refer to attached financial statements.

### 5. STATEMENT OF CASH FLOWS

Refer to attached financial statements.

**6. STATEMENT OF RETAINED EARNINGS/CHANGES IN EQUITY**

Refer to attached financial statements.

**7. DIVIDENDS/DISTRIBUTIONS**

No dividends declared in current or prior year.

**8. DETAILS OF DIVIDEND REINVESTMENT PLANS**

Not Applicable

**9. NET TANGIBLE ASSETS PER SHARE**

	30 June 2017	30 June 2016
Net tangible asset backing per ordinary security	0.003	(0.014)

**10. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD****Control gained over entities**

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

**Loss of control over entities**

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

**11. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES**

Name of associate or joint venture entity	N/A
Reporting entity's percentage holding in this entity	N/A
Contribution to net profit/(loss) (where material)	N/A
Aggregate share of profits/(losses) of the above entity(ies) (where material)	N/A

**12. ANY OTHER SIGNIFICANT INFORMATION NEEDED BY AN INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE COMPANY'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION**

Refer to attached financial statements.

**13. FOREIGN ENTITIES**

Not Applicable

#### 14. COMMENTARY ON RESULTS FOR PERIOD AND EXPLANATORY INFORMATION

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The Company has been suspended since 9 June 2016 when the company went into voluntary administration. A pooled Deed of Company Arrangement was executed on 7 October 2016 and this was approved by shareholders by General Meeting on 15 May with the new Board being appointed on 2 June 2017. The profit generated has occurred due to the write off of the liabilities of the company following the Deed of Company Arrangement (DOCA).

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#### 15. AUDIT

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The information contained in this financial report is based on accounts which are in the process of being audited.

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Peter Wall  
**Non-Executive Chairman**

Date 31 August 2017

# **BRONSON GROUP LIMITED**

A.B.N. 60 006 569 124

## **Preliminary Financial Report**

**FOR THE YEAR ENDED**

**30 JUNE 2017**

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FULL YEAR ENDED 30 JUNE 2017**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	45	3,123,101
Other income	2	3,095,418	-
Cost of product sold		-	(2,452,603)
Administration fee (DOCA)		(250,000)	-
Advertising and media expenses		-	(89,825)
Travel expenses		(5,516)	(29,501)
Financial expenses		(567)	(107,469)
Depreciation and amortisation		-	(5,244)
Employee benefit expenses		-	(356,013)
Legal compliance and professional fees		(44,667)	(34,668)
Impairment of assets		-	(1,414,431)
Warehouse and distribution costs		-	(42,523)
Other expenses		(291,014)	(301,589)
<b>Profit (loss) before income tax</b>	3	2,503,699	(1,710,765)
Income tax benefit/(expense)		-	-
<b>Net profit (loss) for the year</b>		<u>2,503,699</u>	<u>(1,710,765)</u>
<b>Earnings per share</b>			
Diluted earnings per share	5	0.05	(0.0078)
Basic earnings per share	5	0.05	(0.0078)

The accompanying notes form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>30.06.17</b>	<b>30.06.16</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	213,328	-
Trade and other receivables	7	35,655	-
<b>TOTAL CURRENT ASSETS</b>		<b>248,983</b>	<b>-</b>
<b>NON-CURRENT ASSETS</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>248,983</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	90,702	1,670,217
Short-term provisions	10	-	75,769
Financial liabilities	11	-	438,445
<b>TOTAL CURRENT LIABILITIES</b>		<b>90,702</b>	<b>2,184,431</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	11	-	910,987
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>910,987</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>3,095,418</b>
<b>NET ASSETS</b>		<b>158,281</b>	<b>(3,095,418)</b>
<b>EQUITY</b>			
Issued capital	12	12,738,070	11,988,070
Current year earnings		2,503,699	(1,710,765)
Retained earnings		(15,083,488)	(13,372,723)
<b>TOTAL EQUITY</b>		<b>158,281</b>	<b>(3,095,418)</b>

The accompanying notes form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

	Share Capital Ordinary	Accumulated (Losses)/ Profit	Total
Consolidated Group	\$	\$	\$
<b>Balance at 1.7.2015</b>	11,988,070	(13,372,723)	(1,384,653)
Loss for the year	-	(1,710,765)	(1,710,765)
Shares issued during the year	-	-	-
<b>Balance at 30.06.2016</b>	11,988,070	(15,083,488)	(3,095,418)
<b>Balance at 1.7.2016</b>	11,988,070	(15,083,488)	(3,095,418)
Profit for the year		2,503,699	2,503,699
Shares issued during the year	750,000	-	750,000
<b>Balance at 30.6.17</b>	12,738,070	(12,579,789)	158,282

The accompanying notes form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	3,123,101
Payments to suppliers		(225,420)	(3,074,045)
Interest received		45	4,115
Interest paid		-	(34,412)
<b>Net cash (outflow) inflow from operating activities</b>	<b>15</b>	<b>(225,375)</b>	<b>18,759</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		750,000	-
Proceeds from borrowings		-	101,342
<b>Net cash inflow from financing activities</b>		<b>750,000</b>	<b>101,342</b>
Net increase in cash held		524,625	120,101
Cash at beginning of year		(311,297)	(431,398)
Cash at end of year	<b>15</b>	<b>213,328</b>	<b>(311,297)</b>

The accompanying notes form part of these financial statements.



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

**NOTES TO PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This preliminary financial report for the year ended 30 June 2017 has been prepared in accordance with Australian Accounting Standards (including Australia Interpretations) adopted by the Australia Accounting Standards Board and the *Corporations Act 2001*.

The preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Bronson Group Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**Consolidated Group**

**2017                  2016**  
**\$                          \$**

**NOTE 2: REVENUE AND OTHER INCOME**

**Revenue**

Product sales	-	3,099,176
Interest received or due and receivable from other persons	45	4,115
Other revenue	-	19,810
	<u>45</u>	<u>3,123,101</u>

**Other income**

Debt forgiveness – operating liabilities	2,057,283	-
Debt forgiveness – financial liabilities	1,038,135	-
	<u>3,095,418</u>	<u>-</u>

**NOTE 3: OPERATING PROFIT/ (LOSS)**

**Profit before income tax expense includes the following expenses**

Cost of product sold	-	2,452,603
Administration fee (DOCA)	250,000	
Financial expenses	567	107,469
Depreciation and amortisation	-	5,244
Employee benefit expenses	-	356,013
Impairment of assets	-	1,414,431
Legal compliance and professional fees	44,667	34,668
Warehouse and distribution costs	-	<u>42,523</u>

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

**NOTES TO PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 4: DIVIDENDS**

No dividends have been paid during the financial year.

**NOTE 5: EARNINGS PER SHARE**

		<b>Consolidated Group</b>	
		<b>2017</b>	<b>2016</b>
a.	Net profit (loss) used in the calculation of basic EPS	\$ 2,503,699	(1,710,765)
	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	No. 49,971,877	218,752,410
b.	Net profit (loss) used in the calculation of diluted EPS	\$ 2,503,699	(1,710,765)
	Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	No. 49,971,877	218,752,410

		<b>Consolidated Group</b>	
		<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>

**NOTE 6: CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	213,328	-
	213,328	-

**NOTE 7: TRADE AND OTHER RECEIVABLES**

	Consolidated Group	
	2017	2016
	\$	\$
CURRENT		
Trade and other receivables	35,655	-
	<u>35,655</u>	<u>-</u>

**NOTE 8: CONTROLLED ENTITIES**

	<b>Country of Incorporation</b>	<b>Percentage Owned (%)*</b>	
		<b>2017</b>	<b>2016</b>
Subsidiaries of Bronson Group Limited			
Bronson Marketing Pty Ltd	Australia	100%	100%

\* Percentage of voting power is in proportion to ownership

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

**NOTES TO PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade payables	24,913	1,532,645
Sundry payables and accrued expenses	65,789	137,572
	<u>90,702</u>	<u>1,670,217</u>
<b>NOTE 10: SHORT TERM PROVISIONS</b>		
Employee entitlements	-	75,769
	<u>-</u>	<u>75,769</u>
<b>NOTE 11: BORROWINGS</b>		
<b>CURRENT</b>		
Secured liabilities	-	-
Bank overdrafts	-	311,297
Trade finance	-	127,149
Total current borrowings	<u>-</u>	<u>438,445</u>
<b>NON-CURRENT</b>		
Loans from related parties	-	658,518
Other loans	-	252,469
Total non-current borrowings	<u>-</u>	<u>910,987</u>
Total borrowings	<u>-</u>	<u>1,349,433</u>

**NOTE 12: ISSUED CAPITAL**

49,971,877 (2016: 218,752,410) fully paid ordinary shares 12,738,070 11,988,070

- a. As per a Shareholder Meeting on May 15 2017, shares were consolidated on a 1 for 30 basis. Subsequently there was a capital raise of \$750,000 at \$0.02, being 37,500,000 shares.

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**

Subsequent to 30<sup>th</sup> June 2017, the company issued 45,000,000 at a price of \$0.00001, with a strike price of \$0.02, expiring 19<sup>th</sup> July 2021.

- 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.

There are no externally imposed capital requirements.

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

**NOTES TO PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 12: ISSUED CAPITAL**

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.

**NOTE 13: CONTINGENT LIABILITIES**

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

**NOTE 14: EVENTS SUBSEQUENT TO BALANCE DATE**

**Events Subsequent to Balance Date**

- On 19<sup>th</sup> July 2017 the Company issued 45,000,000 options at a price of \$0.00001, with a \$0.02 strike price, expiring 19<sup>th</sup> July 2021.
- Binding Heads of Agreement entered into with Pharmaceutical Development Company on the 21<sup>st</sup> July 2017.

**NOTE 15: CASH FLOW INFORMATION**

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>a. Reconciliation of Cash Flow</b>		
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	213,328	-
Bank overdraft	-	(311,297)
	<u>213,328</u>	<u>(311,297)</u>
<b>b. Reconciliation of (loss) after income tax expense to net cash provided by operating activities</b>		
Profit/ (Loss) after income tax	2,503,699	(1,710,765)
(Less)/add non-cash flows in (loss) from ordinary activities:		
Depreciation	-	5,244
Debt forgiveness	(1,038,135)	-
Impairment of intangible asset	-	1,414,431
Changes in assets and liabilities		
Trade and other receivables	(35,655)	636,267
Trade and other payables	(1,579,515)	(346,412)
Employee entitlements	(75,769)	19,994
	<u>(225,375)</u>	<u>18,759</u>