

BRONSON GROUP LIMITED

A.B.N. 60 006 569 124

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2017

BRONSON GROUP LIMITED
ABN 60 006 569 124
ANNUAL REPORT 30 JUNE 2017

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CORPORATE DIRECTORY

Directors

Peter Wall – Non-Executive Chairman
Adam Blumenthal – Non-Executive Director
Graham Durtanovich – Non-Executive Director

Company Secretary

Stephen Buckley

Registered office

Level 2,
46-50 Kings Park Road
West Perth 6005
Ph: +61 8 6189 1155
Fax: +61 8 9200 3742
Website: www.bronsongroup.com.au

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000

Share Registry

Automic Registry Services
Level 2
267 St Georges Terrace
Perth WA 6000
Ph: 1300 288 664 (within Australia) +61 2 9698 5414

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

Securities Exchange Listing

Australian Securities Exchange Limited

ASX Code – BGR

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DIRECTORS' REPORT

Your directors present their report of the company and its controlled entities for the financial year ended 30 June 2017.

Information on Directors

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

Peter Wall	—	Non-Executive Chairman (appointed 2 June 2017)
Qualifications	—	<i>LLB BComm MAppFin FFin</i>
Experience	—	Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.
		Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology companies, resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.
Interest in Shares and Options	—	Nil
Directorships held in listed entities	—	Activistic Ltd (Non-Executive Chairman - appointed 15 June 2015) Logicams Limited (Non-Executive Director – appointed 8 October 2007) Minbos Resources Ltd (Non-Executive Chairman - appointed 21 February 2014) Myfiziq Limited (Non-Executive Chairman - appointed 25 May 2015) MMJ Phytotech Ltd (Non-Executive Chairman - appointed 14 August 2014) Ookami Limited (Director - appointed 27 October 2015) Transcendence Technologies Limited (Non-Executive Chairman - appointed 6 October 2015) Zyber Holdings Ltd (Non-Executive Chairman – appointed 9 January 2015) Sky and Space Global Ltd (Non-Executive Chairman- 27 October 2015) Pursuit Minerals Ltd (Non-Executive Chairman – appointed 13 January 2016)
Adam Blumenthal	—	Non-Executive Director (appointed 2 June 2017)
Qualifications	—	<i>BComm MIR MBA</i>
Experience	—	Mr Blumenthal has 10 years' experience in investment banking and corporate finance. He has deep exposure to Australian and International markets, having provided capital raising and financial solutions to an extensive number of unlisted and listed companies. He has played a lead role in advising and supporting multiple organisations across a broad spectrum of industries, using his experience and extensive network of international contacts to provide corporate advisory and capital markets input.
		He has successfully brought to market several Medical Marijuana companies spanning Israel, Canada, Switzerland and Australia. He has also been actively involved in Mining, Cyber Security, Health Care and IT sectors.
Interest in Shares and Options	—	Nil
Directorships held in listed entities	—	Creso Pharma Ltd (Non-Executive Director – appointed 20 November 2015) Pursuit Minerals Ltd (Non-Executive Director – appointed 13 January 2016)

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Graham Durtanovich	—	Non-Executive Director (appointed 2 June 2017)
Qualifications	—	<i>B.Ec</i>
Experience	—	Mr Durtanovich brings extensive financial management experience from a large private enterprise with the construction industry, where he previously held the role of Chief Financial Officer and was responsible for the financial administration, strategic planning, risk analysis and Corporate Governance of the company.
		Mr Durtanovich holds a Bachelor of Economics, Graduate Diploma in Applied Finance and Investments from FINSIA and a Masters of Business Administration.
Interest in Shares and Options	—	Nil
Directorships held in listed entities	—	None
Sharon White	—	Non-Executive Director (appointed 25 February 2016, ceased 2 June 2017)
Michael Ellison	—	Non-Executive Director (appointed 19 April 2016, ceased 2 June 2017)
John White	—	Non-Executive Director (appointed 8 July 2015, ceased 2 June 2017)
John Morris	—	Non-Executive Director (appointed 2 June 2017, ceased 2 June 2017)
Company Secretary		
Stephen Buckley	—	Company Secretary (appointed 2 June 2017)
Qualifications	—	<i>GAICD</i>
Experience	—	Mr Buckley has 35 years' experience in financial markets having worked in both Australia and New Zealand. He is the Managing Director of Company Secretary Solutions Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

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DIRECTORS' REPORT (CONT)

Meeting of Directors

The Company was under external administration until the new Board was appointed on 2 June 2017. Since the appointment of directors on 2 June 2017 there has been one meeting of Directors held. Attendances by each Director are stated in the following table.

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Peter Wall	1	1
Adam Blumenthal	1	1
Graham Durtanovich	1	1

Principal Activities

The company was placed in administration on the 9 June 2016 and has been dormant for the 2017 Financial year.

On 10 July, 2017 a binding Heads of Agreement was signed with Pharmaceutical Development Company (Pty) Ltd ("PDC") which has obtained and will be operating a renewable 10 year licence (Licence) granted by the Government of Lesotho on 28 February, 2017. The Licence authorises PDC to cultivate, manufacture, supply, research, hold and transit cannabis, cannabis plant and cannabis resin as well as import cannabinoid seed for medical, scientific or other lawful use.

Operating Results

The consolidated profit of the group after providing for income tax amounted to \$2,503,699 (2016: Loss of \$1,710,765).

Dividends Paid or Recommended

No interim dividend (2016: Nil) was paid during the year. No final dividend is recommended by the Directors.

Review of Operations

The consolidated profit of the group after providing for income tax amounted to \$2,503,699 (2016: \$1,710,765).

This profit for the current period was primarily attributed to the write back the liabilities of the company following the Deed of Company Arrangement (DOCA) executed on the 7 October 2016.

Financial Position

The net assets of the Company at 30 June 2017 were \$158,281 (2016: (\$3,095,418)).

Significant Changes in 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 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.

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.

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DIRECTORS' REPORT (CONT)

The approval of the BGR shareholders was achieved in a general meeting dated 15 May 2017 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) 37,500,000 shares at an issue price of not less than \$0.02 each to raise up to \$750,000; and
 - (ii) 45,000,000 options to acquire shares at an exercise price of not less than \$0.02 with an issue price of \$0.00001 each, to raise \$450, 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.

Significant Events after the Reporting date

On the 10 July, 2017 a binding Heads of Agreement was signed with Pharmaceutical Development Company (Pty) Ltd.

On the 14 July, 2017 the Company issued 45,000,000 Options.

Future Developments, Prospects and Business Strategies

On 10 July, 2017 a binding Heads of Agreement was signed with Pharmaceutical Development Company (Pty) Ltd ("PDC") which has obtained and will be operating a renewable 10 year licence (Licence) granted by the Government of Lesotho on 28 February, 2017. The Licence authorises PDC to cultivate, manufacture, supply, research, hold and transit cannabis, cannabis plant and cannabis resin as well as import cannabinoid seed for medical, scientific or other lawful use. As the proposed Acquisition constitutes a change in the nature and scale of the Company's activities, the Company will be required, pursuant to Listing Rule 11.1, to obtain approval from BGR's shareholders at a general meeting and re-comply with Chapters 1 and 2 of the Listing Rules.

If the Acquisition is approved by BGR's shareholders, the Company's securities will continue to remain suspended from trading following the Company's General Meeting until the requirements of Chapters 1 and 2 of the Listing Rules have been satisfied.

Further information regarding the acquisition and the change of activities will be available in the notice of meeting convening the Company's General Meeting, to be dispatched to shareholders in due course.

Environmental Regulations

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

Proceedings on Behalf of 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.

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DIRECTORS' REPORT (CONT)

Share Options

Unissued shares under option

At the date of this report, the un-issued ordinary shares of Bronson Group Limited under option are as follows:

Grant Date	Expiry Date	Exercise Price	Number of shares under option
14 July 2017	14 July 2021	\$0.02	45,000,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Indemnification and Insurance of Directors and Officers

The Company indemnifies each of its Directors, Officers and Company Secretary. The Company indemnifies each Director or Officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a Director or Officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director or Officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

On the 12 June 2017, Director and Officers Insurance was taken out with CGU for \$17,545 (Incl. GST).

Non-audit services

The Board of Directors is satisfied that the provision of 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 2017.

	\$
Corporate Services	21,450
Total	21,450

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 13.

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REMUNERATION REPORT (AUDITED)

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to options and shares
7. Loans to key management personnel (KMP) and their related parties
8. Consultancy Agreements
9. Other transactions and balances with KMP and their related parties

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

Peter Wall – Non-Executive Chairman (appointed 2 June 2017)
Adam Blumenthal – Non-Executive Director (appointed 2 June 2017)
Graham Durtanovich – Non-Executive Director (appointed 2 June 2017)
Sharon White - Non-Executive Director (appointed 25 February 2016, ceased 2 June 2017)
Michael Ellison - Non-Executive Director (appointed 19 April 2016, ceased 2 June 2017)
John White - Non-Executive Director (appointed 8 July 2015, ceased 2 June 2017)
John Morris - Non-Executive Director (appointed 2 June 2017, ceased 2 June 2017)

1. Introduction

The remuneration report 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.

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.

2. Remuneration governance

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.

3. Executive remuneration arrangements

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.
- KMP receive 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.

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REMUNERATION REPORT (AUDITED) (CONT)

4. Non-executive director fee arrangements

The Board policy is to remunerate Non-Executive Directors at a level to comparable Companies for time, commitment, and responsibilities. Non-executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-Executive Directors.

The Non-Executive Directors have or may be provided with options that are meant to incentivise the Non-Executive Directors. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice will be sought when required.

We are not able to verify the aggregate value set for remuneration to be paid, to any records in existence prior to the Company being placed into administration. The maximum aggregate amount of fees that can be paid to Non-Executive Directors will be set to an aggregate of \$350,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Fees for the Non-Executive Directors for the financial year were \$9,000.

5. Details of Remuneration

The Key Management Personnel of Bronson Group Limited includes the Directors of the Company.

30 June 2017	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
Non-Executive Directors						
Peter Wall	3,000	-	-	-	3,000	-
Adam Blumenthal	3,000	-	-	-	3,000	-
Graham Durtanovich	3,000	-	-	-	3,000	-
Total	9,000	-	-	-	9,000	-

30 June 2016	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
Non-Executive Directors						
John White	-	-	-	-	-	-
Sharon White	-	-	-	-	-	-
Michael Ellison	-	-	-	-	-	-
Desmond Smale	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note: 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

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REMUNERATION REPORT (AUDITED) (CONT)

6. Additional disclosures relating to options and shares

KMP Options and Rights Holdings

The table below discloses the number of share options granted, vested or lapsed during the year.

Share options do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met, until their expiry date.

30 June 2017	Balance at the start of the year	Granted as Compensation and Exercisable	Options Expired	Rights Expired	Balance at end of Year
Peter Wall	-	-	-	-	-
Adam Blumenthal	-	-	-	-	-
Graham Durtanovich	-	-	-	-	-
John White	-	-	-	-	-
Sharon White	-	-	-	-	-
Michael Ellison	-	-	-	-	-
Desmond Smale	-	-	-	-	-
Total	-	-	-	-	-

30 June 2016	Balance at the start of the year	Granted as Compensation and Exercisable	Options Expired	Rights Expired	Balance at end of Year
John White	-	-	-	-	-
Sharon White	-	-	-	-	-
Michael Ellison	-	-	-	-	-
Desmond Smale	-	-	-	-	-
Roger Smith	-	-	-	-	-
Hon Tong Ch	-	-	-	-	-
Total	-	-	-	-	-

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REMUNERATION REPORT (AUDITED) (CONT)

KMP Shareholdings

The number of ordinary shares in Bronson Group Limited held by each KMP of the Group during the financial year is as follows:

30 June 2017	Balance at the start of the year	Granted as Compensation	Options Exercised	Other changes during the year ¹	Balance at end of Year
Peter Wall	-	-	-	-	-
Adam Blumenthal	-	-	-	-	-
Graham Durtanovich	-	-	-	-	-
John White	44,550,001	-	-	(43,065,000)	1,485,001
Sharon White	55,257,501	-	-	(53,415,580)	1,841,921
Michael Ellison	-	-	-	-	-
Total	99,807,502	-	-	(96,480,580)	3,326,922

30 June 2016	Balance at the start of the year	Granted as Compensation	Options Exercised	Other changes during the year ¹	Balance at end of Year
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 Ch	30,000,000	-	-	-	30,000,000
Total	165,175,935	-	-	-	165,175,935

7. Loans to KMP and their related parties

There were no loans to KMP and the related parties during the financial year.

8. Consultancy Agreements

On 11 September 2017, Bronson Group entered into a Consultancy Services Agreement with Canigma A.L. Ltd (515115756) (an entity incorporated in Israel and Amit Edri as the Nominated Person to perform the services under the agreement.

The key terms of the Consultancy Services Agreement are as follows:

- Mr Edri is to be appointed Chief Executive Officer and Managing Director;
- Prior to the Company successfully relisting its securities on ASX – a monthly fee of A\$ 7,482;
- After the Company has successfully relisted its securities on ASX – a monthly fee of A\$ 14,964;
- An equity package to be determined by the Board, and which will be subject to Shareholder approval;
- Entitlement to be reimbursed for all reasonable expenses incurred in the performance of their duties plus any and all taxes applicable in connections with such reimbursement;
- Reimbursement of all reasonable relocation expenses should the Nominated Person need to move to Australia within the first six months of the Company successfully being relisted on ASX; and
- The fee will be reviewed annually by the Board.

¹ These movements were due to the 30:1 consolidation completed on 15 May 2017.

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Termination

Upon termination by the Company, the Company is only required to pay that fee which would otherwise be payable to the Consultant each month over the Company Notice Period. The Company Notice Periods are as are as follows:

- Prior to the Company successfully relisting its securities on ASX – one month;
- After the Company has successfully relisted its securities on ASX – six months.

9. Other transactions and balances with KMP and their related parties

During the reporting period, the Company engaged the services of the following related parties on normal commercial terms and conditions no more favourable than those available to other parties:

- Steinepreis Paganin, an entity associated with Mr Peter Wall, received payments totalling \$20,173 in relation to legal services provided to the Company.
- EverBlu Capital, an entity associated with Adam Blumenthal, received payments totalling \$8,250 in relation to services provided to the Company under the Equity Capital Markets and Financial Advisor Mandate.
- Energy Capital Partners Pty Ltd, an entity associated with Graham Durtanovich, received payments totalling \$67,650 in relation to services provided to the Company.

There were no other transactions with KMP and their related parties.

Signed in accordance with a resolution of the directors.



Peter Wall
Non-Executive Chairman
Dated 26 September 2017

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

AUDITOR'S INDEPENDENCE DECLARATION

**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 2017 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: 26 September 2017

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

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

		Consolidated Group	
	Note	30.06.2017	30.06.2016
		\$	\$
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)
Audit and Accounting		(77,830)	-
Corporate Fees		(148,833)	-
Director Fees		(9,000)	-
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 intangibles		-	(1,414,431)
Share Registry Fees		(21,259)	
Warehouse and distribution costs		-	(42,523)
Other expenses		(34,092)	(301,589)
Profit (loss) before income tax	3	2,503,699	(1,710,765)
Income tax benefit/(expense)		-	-
Net profit (loss) for the year		<u>2,503,699</u>	<u>(1,710,765)</u>
Earnings per share			
Diluted earnings per share	6	0.05	(0.0078)
Basic earnings per share	6	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**

		Consolidated Group	
	Note	30.06.17	30.06.16
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	213,328	-
Trade and other receivables	8	35,655	-
TOTAL CURRENT ASSETS		248,983	-
TOTAL ASSETS		248,983	-
CURRENT LIABILITIES			
Trade and other payables	9	90,702	1,670,217
Short-term provisions	10	-	75,769
Financial liabilities	11	-	438,445
TOTAL CURRENT LIABILITIES		90,702	2,184,431
NON-CURRENT LIABILITIES			
Financial liabilities	11	-	910,987
TOTAL NON-CURRENT LIABILITIES		-	910,987
TOTAL LIABILITIES		-	3,095,418
NET ASSETS		158,281	(3,095,418)
EQUITY			
Issued capital	12	12,738,070	11,988,070
Retained earnings		(12,579,789)	(15,083,488)
TOTAL EQUITY		158,281	(3,095,418)

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	\$	\$	\$
Balance at 1.7.2015	11,988,070	(13,372,723)	(1,384,653)
Loss for the year	-	(1,710,765)	(1,710,765)
Shares issued during the year	-	-	-
Balance at 30.06.2016	11,988,070	(15,083,488)	(3,095,418)
Balance at 1.7.2016	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
Balance at 30.6.2017	12,738,070	(12,579,789)	158,281

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**

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

The accompanying notes form part of these financial statements.

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The separate financial statements of the parent entity, Bronson Group Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report was authorised for issue on 26 September 2017 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 profit after income tax for the consolidated entity for the financial year ended 30 June 2017 was \$2,503,699, and as at 30 June 2017, total assets exceeded total liabilities by \$158,281. The company had net cash outflows from operations amounting to \$225,375. The profit result was due to the 'Debt Forgiveness' in the Deed of Company Arrangement (DOCA).

Further funding via a Convertible Note Offering was finalised in September 2017 for \$300,000. Investor support provides access to capital. A very low overhead structure is highlighted in the forecast Cash Flows, ensuring the company can operate on a Going Concern basis.

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 current directors were appointed on the 2nd June 2017.

To prepare the 2016 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 the 2016 financial reports 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

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Bronson Group Limited at the end of the reporting period. A controlled entity is any entity over which Bronson Group Limited 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 8 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.

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

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.

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 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.

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

d. 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.

e. 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.

f. 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.

g. 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.

k. 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).

l. 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.

m. Borrowing Costs

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

n. Goods and Services Tax (GST)

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.

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

o. 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.

p. 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.

q. 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.

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
	45	3,123,101

Other income

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

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NOTE 3: OPERATING PROFIT/ (LOSS)

Profit/(Loss) 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	-	42,523

NOTE 4: INCOME TAX EXPENSE

		Consolidated Group	
		2017	2016
		\$	\$
a.	The components of income tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
	Utilisation of deferred tax assets previously not recognised	-	-
	Deferred tax assets not recognised (losses)	-	-
	Deferred tax assets not recognised (temporary)	-	-
		-	-
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 (profit) from ordinary activities before income tax at 30% (2016: 30%)	751,110	(513,229)
	Add:		
	Tax effect of:		
	— Sale of fixed assets	-	-
	— Other non-allowable items	(928,625)	-
	— Share options expensed during year	-	-
	— Amortisation of exclusive supply right	-	-
	Less:		
	Tax effect of:		
	— Difference in tax rate	-	-
	— Utilisation of deferred tax assets previously not recognised	-	-
	— Deferred tax assets not recognised (losses)	177,515	513,229
	— Deferred tax assets not recognised (temporary)	-	-
	Income tax expense/(benefit)	-	-

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

NOTE 5: DIVIDENDS

No dividends have been paid during the financial year.

NOTE 6: EARNINGS PER SHARE

		Consolidated Group	
		2017	2016
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	374,148,121
		<hr/>	
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	374,148,121
		<hr/>	

		Consolidated Group	
		2017	2016
		\$	\$
NOTE 7: CASH AND CASH EQUIVALENTS			
Cash at bank and on hand		213,328	-
		<hr/>	<hr/>
		213,328	-
		<hr/>	<hr/>

NOTE 8: TRADE AND OTHER RECEIVABLES

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

NOTE 9: TRADE AND OTHER PAYABLES

		Consolidated Group	
		2017	2016
CURRENT			
Trade payables		24,913	1,532,645
Sundry payables and accrued expenses		65,789	137,572
		<hr/>	<hr/>
		90,702	1,670,217
		<hr/>	<hr/>

NOTE 10: SHORT TERM PROVISIONS

Employee entitlements	-	75,769
	<hr/>	<hr/>

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

NOTE 11: BORROWINGS

CURRENT

Secured liabilities	-	-
Bank overdrafts	-	311,297
Trade finance	-	127,149
Total current borrowings	-	438,445

NON-CURRENT

Loans from related parties	-	658,518
Other loans	-	252,469
Total non-current borrowings	-	910,987

Total borrowings	-	1,349,433
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NOTE 12: ISSUED CAPITAL

	Consolidated Group	
	2017	2016
	\$000	\$000
49,971,877 (2016: 374,148,121) fully paid ordinary shares	49,971,877	374,148,121
	49,971,877	374,148,121

The Group has authorised share capital amounting to 49,971,877 ordinary shares.

	Consolidated Group	
	2017	2016
	No.	No.
a. Ordinary Shares		
At the beginning of the reporting period	374,148,121	374,148,121
Share consolidation (1 for 30) :		
- 15 May 2017	(361,676,244)	
Shares issued during the year:	37,500,000	
- 16 June 2017		37,500,000
At the end of the reporting period	49,971,877	374,148,121

As per a Shareholder Meeting on 15 May 2017, shares were consolidated on a 1 for 30 basis. Subsequently there was a capital raise of \$750,000 at \$0.02 on 16 June 2017, 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

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b. Options

Subsequent to 30 June 2017, the company issued 45,000,000 at a price of \$0.00001, with a strike price of \$0.02, expiring 19 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.

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 10 July 2017 a Binding Heads of Agreement entered into with Pharmaceutical Development Company.
- On 19 July 2017 the Company issued 45,000,000 options at a price of \$0.00001, with a \$0.02 strike price, expiring 19 July 2021.

NOTE 15: CASH FLOW INFORMATION

	Consolidated Group	
	2017	2016
	\$	\$
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	213,328	-
Bank overdraft	-	(311,297)
	<u>213,328</u>	<u>(311,297)</u>
b. Reconciliation of profit/(loss) after income tax expense to net cash provided by operating activities		
Profit/ (Loss) after income tax	2,503,699	(1,710,765)
(Less)/add non-cash flows in profit/(loss) from ordinary activities:		
Depreciation	-	5,244
Debt forgiveness	(1,038,135)	-
Impairment of intangibles	-	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>

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

NOTE 16: RELATED PARTY TRANSACTIONS

a. Related parties

The Group's main related parties are as follows:

(i) *Entities exercising control over the Group:*

The ultimate parent entity that exercises control over the Group is, Bronson Group Limited which is incorporated in Australia. Bronson Marketing Pty Ltd is a 100% subsidiary.

(ii) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 18.

(iii) *Entities subject to significant influence by the Group:*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

b. Transactions with related parties

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

The following transactions occurred with related parties:

- Steinepreis Paganin, an entity associated with Mr Peter Wall, received payments totalling \$20,173 in relation to legal services provided to the Company.
- EverBlu Capital, an entity associated with Adam Blumenthal, received payments totalling \$8,250 in relation to services provided to the Company under the Equity Capital Markets and Financial Advisor Mandate.
- Energy Capital Partners Pty Ltd, an entity associated with Graham Durtanovich, received payments totalling \$67,650 in relation to services provided to the Company.

There were no other transactions with KMP and their related parties.

NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2017.

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

	2017	2016
	\$	\$
Short-term employee benefits	9,000	
Post-employment benefits		
Other long-term benefits		
Share-based payments		
Total KMP compensation	<hr/> 9,000 <hr/>	

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

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Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

NOTE 18: AUDITOR'S REMUNERATION

	Consolidated Group	
	2017	2016
	\$	\$
Remuneration of the auditor for:		
– auditing or reviewing the financial statements	15,400	15,400
– taxation services		
– due diligence services	21,450	
– taxation services provided by related practice of auditor		
	<u>36,850</u>	<u>15,400</u>

NOTE 19: CAPITAL AND LEASING COMMITMENTS

	Consolidated Group	
	2017	2016
	\$	\$
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	-	*
– Later than twelve months but not later than 5 years	-	*
	<u>-</u>	<u>*</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.

b. **Hire Purchase Commitments**

There no hire purchase commitments.

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

NOTE 20: 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.

	2017	Parent Entity
	\$	2016
		\$
Financial position of the parent entity at year end		
Current assets	248,983	18,343
Total assets	248,983	18,543
Current Liabilities	90,702	237,902
Total liabilities	90,702	255,131
Total equity of the parent entity comprising of:		
Share capital	12,738,070	40,285,186
Reserves		534,627
Retained earnings	(12,579,789)	(41,056,402)
Total equity		(236,589)

Statement of Profit or Loss and Other Comprehensive Income

Total Profit/(loss)	2,503,699	(219,135)
Total comprehensive income	2,503,699	(219,135)

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 does not have any contingent liabilities at 30 June 2017.

NOTE 21: CONTROLLED ENTITIES

a. Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2017	2016
Subsidiaries of Bronson Group Limited			
Bronson Marketing Pty Ltd	Australia	100%	100%
Icon Marketing International Pty Ltd #	Australia	Dissolved	100%
Bay Street Brands LLC (subsidiary of Icon Marketing International Pty Ltd)	United States		Dissolved
Ab Solutions LLC (subsidiary of Icon Marketing International Pty Ltd) #	United States		Dissolved
Home & Business Consumer Products LLC	United States		Dissolved

*# These companies did not trade during the financial year
is in proportion to ownership*

** Percentage of voting power*

b. Controlled Entities

No controlled entities were acquired during the financial year.

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (CONT)

NOTE 22: NEW ACCOUNTING STANDARDS

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the consolidated group (or the company) but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

Australian Accounting Standards

AASB No.	Title	Application date of standard *	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2014
AASB 2010-7	Amendments arising from Accounting Standards arising from AASB 9 (December 2010)	1 January 2018	September 2012
AASB 2014-1	Amendments to Australian Accounting Standards Part E - Financial Instruments	Part E - 1 January 2018	June 2014
AASB 2014-5	Amendments to Australian Accounting Standard arising from AASB 15	1 January 2018	December 2014
AASB 2014-7	Amendments to Australian Accounting Standard arising from AASB 9 (December 2014)	1 January 2018	December 2014
AASB 2014-10	Amendments to Australian Accounting Standard - Sale of Contribution of Assets Between Investors and its Associates or Joint Venture	1 January 2018	December 2014
AASB 2015-8	Amendments to Australian Accounting Standards – Effective Date of AASB 15	1 January 2018	October 2015
AASB 2015-10	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.	1 January 2018	December 2015
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	1 January 2017	February 2016
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	March 2016
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	May 2016
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions [AASB 2]	1 January 2018	July 2016
AASB 2017-1	Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments	1 January 2018	February 2017
AASB 2017-2	Amendments to Australian Accounting Standards –Further Annual Improvements2014-2016 Cycle	1 January 2017	February 2017
AASB 2017-3	Amendments to Australian Accounting Standards – Clarifications to AASB 4	1 January 2018	July 2017
AASB 15	Revenues from Contracts with Customers	1 January 2018	October 2015
AASB 16	Leases	1 January 2019	February 2016
AASB Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018	February 2017
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019	June 2017

* Annual reporting periods beginning after

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Please note that the above is a full list of Australian Accounting Standards issued but not yet effective. However, if a particular standard or interpretation is clearly not relevant because it is out of scope for that type of entity. For example, a for-profit entity is not required to disclose those standards or interpretations relating to not-for-profit or government entities. Where a standard or interpretation is industry-specific and the entity clearly does not operate in that industry, the entity is not required to disclose the standard or interpretation. For example, a standard or interpretation that affects only entities in the superannuation industry would not need to be included in the disclosure by an entity that does not have operations in that industry.

The table is complete as at 30 June 2017, therefore any further standards/interpretations issued after this date will also need to be disclosed up until the date of authorisation of the financial report.

The Company has decided not to early adopt any of the new and amended pronouncements. The impact of the above standards is yet to be determined.

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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.

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



Peter Wall
Non-Executive Chairman
Dated 26 September 2017

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INDEPENDENT AUDITOR'S REPORT

BRONSON GROUP LIMITED
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**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF BRONSON GROUP LIMITED**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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

Qualified Opinion

We have audited the financial report Bronson Group Limited, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report:

the accompanying financial report of Bronson Group Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net cash outflow from operations amounting to \$225,375 during the year ended 30 June 2017. As stated in Note 1, this event or condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis of Qualified Opinion

The comparative consolidated statement of profit or loss and other comparative comprehensive income for the year ended 30 June 2016 shows a net loss of \$1,710,765, and the comparative consolidated statement of financial position shows a net liability position of \$3,095,418 as at 30 June 2016. We were unable to obtain sufficient appropriate evidence to verify the accuracy and completeness of these comparative amounts and as such we were unable to determine whether any adjustments to these balances were necessary. The auditor's opinion on the financial report was modified accordingly. Our opinion on the current year's financial report is also modified because of the possible effect of this matter on the comparability of the current year's figures and the figures for 30 June 2017.

We 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. Our responsibilities under those standards are further described in the *Auditor's responsibility for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110

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Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2017. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

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if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**INDEPENDENT AUDITOR'S REPORT TO
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Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 12 of the directors' report for the year ended 30 June 2017. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the remuneration report of Bronson Group Limited, for the year ended 30 June 2017, complies with s 300A of the *Corporations Act 2001*.

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND

Partner

Dated: 26 September 2017

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CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 26 September 2017 and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations 3rd Edition (Recommendations). The Recommendations are not mandatory, however the Recommendations that have not been followed have been identified and reasons for not following them, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation.

The Company was suspended from quotation and voluntary administrators were originally appointed on 9 June 2016. The administrators were replaced on 27 June 2016. 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 Company has adopted Corporate Governance Policies which provide written terms of reference for the Company's corporate governance practices and has been following these practices since 22 June 2017. The Board of the Company has not yet formed an audit committee, nomination committee, risk management committee or remuneration committee.

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

The Company's Corporate Governance Policies are contained within the Corporate Governance Plan and available on the Company's website at www.bronsongroup.com.au

Principle 1: Lay solid foundations for management and oversight

Roles of the Board & Management

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Managing Director/Chief Executive Officer.

The role of management is to support the Managing Director/Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Appointment, and where necessary, the replacement, of the Managing Director/Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Approving the Company's remuneration framework.
- Monitoring the timeliness and effectiveness of reporting to Shareholders.
- Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures.
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored;
- Approving the annual, half yearly and quarterly accounts.
- Approving significant changes to the organisational structure.
- Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends.
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable).
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.;
- Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with, a number of guidelines including:
 - i. Corporate Code of Conduct;
 - ii. Performance Evaluation Policy;
 - iii. Continuous Disclosure Policy;
 - iv. Risk Management Policy;
 - v. Trading Policy;

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- vi. Diversity Policy; and
- vii. Shareholder Communications Strategy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Managing Director/Chief Executive Officer responsibility for the management and operation of Bronson Group. The Managing Director/Chief Executive Officer is responsible for the day-to-day operations, financial performance and administration of Bronson Group within the powers authorised to him from time-to-time by the Board. The Managing Director/Chief Executive Officer may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter which is contained within the Corporate Governance Plan on the Company's website at www.bronsongroup.com.au.

Board Committees

The Board currently considers that the Company is not of a size, nor are its affairs of such complexity to justify the formation of separate committees including audit and risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit and risk, remuneration and nomination committees.

If the Company's activities increase in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if considered appropriate.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Board has adopted a Diversity Policy which provides a framework for the Company to achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board currently considers that due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The participation of women in the Company at the date of this report is as follows:

- | | |
|--|----|
| • Women employees in the Company | 0% |
| • Women in senior management positions | 0% |
| • Women on the Board | 0% |

The Company's Diversity Policy is available on its website.

Board & Management Performance Review

On an annual basis, the Board conducts a review of its structure, composition and performance.

The annual review includes consideration of the following measures:

- comparing the performance of the Board with the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- examination of the Board's interaction with management;
- the nature of information provided to the Board by management;
- management's performance in assisting the Board to meet its objective; and
- identifying any necessary or desirable improvements to the Board Charter.

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The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

The Board conducts an annual performance assessment of the Managing Director/Chief Executive Officer against agreed key performance indicators.

The Managing Director/Chief Executive Officer conducts an annual performance assessment of senior executives against agreed key performance indicators.

Given the fact the current Board was appointed on 2 June 2017 following suspension of the Company in June 2016, no formal appraisal of the Board or any senior executive has been conducted.

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

Principle 2: Structure the board to add value

Board Composition

During the financial year and to the date of this report the Board was comprised of the following members:

Mr Peter Wall	Non-Executive Chairman (appointed 2 June 2017);
Mr Adam Blumenthal	Non-Executive Director (appointed 2 June 2017);
Mr Graham Durtanovich	Non-Executive Director (appointed 2 June 2017);
Mr John Morris	Non-Executive Director (appointed 2 June 2017, ceased 2 June 2017);
Mr John White	Non-Executive Director (appointed 8 July 2015, ceased 2 June 2017);
Ms Sharon White	Non-Executive Director (appointed 25 February 2016, ceased 2 June 2017); and
Mr Michael Ellison	Non-Executive Director (appointed 19 April 2016, ceased 2 June 2017)

Bronson Group has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

The Board is comprised entirely of non-executive directors, two of whom are considered independent.

Mr Adam Blumenthal is not considered independent as through his capacity as a Director of Everblu Capital he has held a material business relationship with Bronson Group as corporate advisor and lead manager for the placement of \$750,000 fully paid ordinary shares.

Board Selection Process

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern Bronson Group. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

The Board will establish a Board Skills Matrix. The Board Skills Matrix will include the following areas of knowledge and expertise:

- strategic expertise;
- specific industry knowledge;
- accounting and finance;
- risk management;
- experience with financial markets; and
- investor relations.

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Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Act ethically and responsibly

The Company has implemented a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

All employees and Directors are expected to:

- behave honestly and with integrity and report other employees who are behaving dishonestly;
- carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- operate within the law at all times;
- act in the best interests of the Company;
- follow the policies of the Company; and
- act in an appropriate business-like manner when representing the Company in public forums.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary, or in their absence, the Chairman. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Principle 4: Safeguard integrity in corporate reporting

The Board as a whole fulfills the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company throughout the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.

The external auditors attend Bronson Group's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years.

CEO and CFO Certifications

The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO (or, the persons fulfilling those functions) a declaration provided in accordance with Section 295A of the Corporations Act 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 on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5: Make timely and balanced disclosure

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

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The Board has designated the Company Secretary as the person responsible for communicating with the ASX. All key announcements at the discretion of the Managing Director/Chief Executive Officer are to be circulated to and reviewed by all members of the Board.

The Chairman, the Board, Managing Director/Chief Executive Officer and the Company Secretary are responsible for ensuring that:

- company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and
- company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Principle 6: Respect the rights of security holders

The Company recognises the value of providing current and relevant information to its shareholders. The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information posted or emailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and provides an online enquiry tool for shareholders to make enquiries of the Company. These contact details are available on the "Contact" page of the Company's website.

Shareholders may elect to, and are encouraged to, receive communications from Bronson Group and Bronson Group's securities registry electronically. The contact details for the registry are accessible from the "Investors" page of the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

Principle 7: Recognise and manage risk

The Board is committed to the identification, assessment and management of risk throughout Bronson Group's business activities.

The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director/Chief Executive Officer having ultimate responsibility to the Board for the risk management and internal compliance and control framework. Bronson Group has established policies for the oversight and management of material business risks.

Bronson Group's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

Bronson Group believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, Bronson Group is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

Bronson Group accepts that risk is a part of doing business. Therefore, the Company's Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather Bronson Group's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring the Company does not enter into unnecessary risks or enter into risks unknowingly.

Bronson Group assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, Bronson Group applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage Bronson Group's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's process of risk management and internal compliance and control includes:

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- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of Bronson Group's management of its material business risks at each Board meeting.

Principle 8: Remunerate fairly and responsibly

The Board as a whole fulfills the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

Bronson Group has implemented a Remuneration Policy which was designed to recognise the competitive environment within which Bronson Group operates and also emphasise the requirement to attract and retain high caliber talent in order to achieve sustained improvement in Bronson Group's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Bronson Group.

The key principles are to:

- review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- remunerate fairly and competitively in order to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- review and approve equity based plans and other incentive schemes to foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Managing Director/Chief Executive Officer, Non-Executive Directors and senior management based on an annual review.

Bronson Group's executive remuneration policies and structures and details of remuneration paid to directors and key management personnel (where applicable) are set out in the Remuneration Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options.

The maximum aggregate remuneration for Non-Executive Directors will be set at \$350,000 per annum when the Company completes its re-quotation process. The Directors set the individual Non-Executive Directors fees within the limit.

Executive directors and other senior executives (where appointed) are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.

The Company prohibits Directors and employees from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

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ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 21 September 2017

As at 21 September 2017 there were 718 holders of Ordinary Fully Paid Shares

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

- (a) at meetings of members each member entitled to vote may vote in person or by proxy or attorney;
- (b) on a show of hands each person present who is a member has one vote; and
- (c) on a poll each person present in person or by proxy or by attorney has one vote for each ordinary share held

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Fully Paid Shares

Holder Name	Holding	% IC
Holdrey Pty Ltd <Don Mathieson Family A/C>	7,500,000	15.01%
J P Morgan Nominees Australia Limited	5,000,000	10.01%
Millwest Investments Pty Ltd <Millwest A/C>	5,000,000	10.01%
Suburban Holdings Pty Limited <Suburban Super Fund A/C>	2,500,000	5.00%
Sharon White	1,841,921	3.69%
Mr Thomas Francis Corr	1,750,000	3.50%
Peloton Advisory Pty Ltd	1,650,000	3.30%
Quintero Group Limited	1,500,000	3.00%
Rimoyne Pty Ltd	1,500,000	3.00%
Mr John Anthony White	1,485,001	2.97%
Neon Space Pty Ltd	1,250,000	2.50%
Mr Justin George Hondris	1,250,000	2.50%
Est Mr Trevor Neil Hay	1,128,816	2.26%
Tisia Nominees Pty Ltd <Henderson Family A/C>	1,000,000	2.00%
Mrs Louise Jane Hartwig	1,000,000	2.00%
Kybra Capital Pty Ltd	750,000	1.50%
Cardrona Energy Pty Ltd	750,000	1.50%
Mr Joshua Lulham Alfredo Gallagher	750,000	1.50%
Silver Knight Holdings Pty Ltd <Gandossi Family A/C>	750,000	1.50%
Mr Kevin Daniel Leary & Mrs Helen Patricia Leary <Kevin & Helen Leary S/F A/C>	750,000	1.50%
Totals	39,105,738	78.25%

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ASX ADDITIONAL INFORMATION (CONT)

SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 21 September 2017 are:

Name	No of Shares Held	% of Issued Capital
Terra Capital New Horizons Fund Pty Ltd	5,000,000	10.01%
Suburban Holdings Pty Limited	2,500,000	5.00%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Unmarketable Parcels – 651 Holders. This is based on a price of \$0.02, being the price recently paid for ordinary fully paid shares issued under the placement.

Holding Ranges	Holders	Total Shares	% Issued Share Capital
1 - 1,000	452	105,489	0.21%
1,001 - 5,000	131	310,921	0.62%
5,001 - 10,000	36	264,666	0.53%
10,001 - 100,000	50	1,428,674	2.86%
100,001 - 9,999,999,999	49	47,862,127	95.78%
Totals	718	49,971,877	100.00%

RESTRICTED SECURITIES

There are no securities held under an ASX restriction.

UNQUOTED SECURITIES

As at 21 September 2017, the following unquoted securities are on issue:

45,000,000 Options Expiring 14 July 2021 @ \$0.02 – 11 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Cardrona Energy Pty Limited	10,000,000	22.22%

ON-MARKET BUY BACK

There is currently no on-market buyback program.