

Candy Club Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Candy Club Holdings Limited
ACN: 629 598 778
Reporting period: For the year ended 31 December 2023
Previous period: For the year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	51.5% to	1,089
Profit from ordinary activities after tax attributable to the owners of Candy Club Holdings Limited	up	155.7% to	987,202
Profit for the year attributable to the owners of Candy Club Holdings Limited	up	155.7% to	987,202
		2023 Cents	2022 Cents
Basic earnings/(loss) per share		1.68	(11.58)
Diluted earnings /(loss) per share		1.68	(11.58)

This has been determined using the post consolidation shares on issue as at 31 December 2023 and 2022.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the company after providing for income tax amounted to \$987,202 (31 December 2022: loss of \$1,771,955).

The profit for the year includes a gain of \$1,200,050 on debt forgiveness. Refer to note 5 of the attached financial statements.

3. Net tangible assets /(liabilities)

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.13)</u>	<u>(8.60)</u>

This has been calculated using the post consolidation shares on issue as at 31 December 2023 and 31 December 2022.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

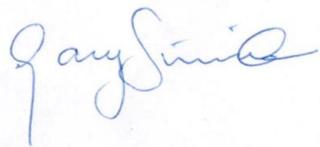
The attached financial statements have not been audited.

11. Attachments

Details of attachments (if any):

The Preliminary Report of Candy Club Holdings Limited for the year ended 31 December 2023 is attached.

12. Signed



Signed _____

Date: 23 February 2024

Gary Simonite
Director

Candy Club Holdings Limited

ACN 629 598 778

Preliminary Report - 31 December 2023

Candy Club Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue and other income			
Interest income		1,089	719
Gain on debt forgiveness	5	1,200,050	-
Net foreign exchange gain on short term borrowings		49,886	-
Expenses			
Corporate and administration expenses		(238,476)	(578,194)
Marketing and promotional expenses		-	(232,368)
Employee benefits expense		-	(50,508)
Impairment of intercompany receivable		-	(700,000)
Foreign exchange loss on short term borrowings		-	(82,288)
Other expenses		(12,326)	(10,102)
Finance costs		(13,021)	(146,589)
Profit/(loss) before income tax expense from continuing operations		987,202	(1,799,330)
Income tax expense		-	-
Profit/(loss) after income tax expense from continuing operations		987,202	(1,799,330)
Profit after income tax expense from discontinued operations	1	-	27,375
Profit/(loss) after income tax expense for the year attributable to the owners of Candy Club Holdings Limited		987,202	(1,771,955)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year attributable to the owners of Candy Club Holdings Limited		<u>987,202</u>	<u>(1,771,955)</u>
Total comprehensive income / (loss) for the year is attributable to:			
Continuing operations		987,202	(1,799,330)
Discontinued operations		-	27,375
		<u>987,202</u>	<u>(1,771,955)</u>
		Cents	Cents
Earnings/(loss) per share from continuing operations attributable to the owners of Candy Club Holdings Limited			
Basic earnings/(loss) per share	7	1.68	(11.76)
Diluted earnings /(loss) per share	7	1.68	(11.76)
Earnings per share for profit from discontinued operations attributable to the owners of Candy Club Holdings Limited			
Basic earnings per share	7	-	0.18
Diluted earnings per share	7	-	0.18
Earnings/(loss) per share attributable to the owners of Candy Club Holdings Limited			
Basic earnings/(loss) per share	7	1.68	(11.58)
Diluted earnings /(loss) per share	7	1.68	(11.58)

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

Candy Club Holdings Limited
Statement of financial position
As at 31 December 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	2	1,636	182,611
Trade and other receivables	3	1,927	29,366
Other		-	6,115
Total current assets		<u>3,563</u>	<u>218,092</u>
Total assets		<u>3,563</u>	<u>218,092</u>
Liabilities			
Current liabilities			
Trade and other payables	4	53,315	195,983
Borrowings	5	82,600	1,339,838
Total current liabilities		<u>135,915</u>	<u>1,535,821</u>
Total liabilities		<u>135,915</u>	<u>1,535,821</u>
Net liabilities		<u>(132,352)</u>	<u>(1,317,729)</u>
Equity			
Issued capital	6	45,329,811	45,131,636
Reserves		3,811,908	3,811,908
Accumulated losses		(49,274,071)	(50,261,273)
Total deficiency in equity		<u>(132,352)</u>	<u>(1,317,729)</u>

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

Candy Club Holdings Limited
Statement of changes in equity
For the year ended 31 December 2023

	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2022	44,953,868	3,989,676	(48,489,318)	454,226
Loss after income tax expense for the year	-	-	(1,771,955)	(1,771,955)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,771,955)	(1,771,955)
<i>Transactions with owners in their capacity as owners:</i>				
Transfer on conversion of performance rights (note 6)	177,768	(177,768)	-	-
Balance at 31 December 2022	<u>45,131,636</u>	<u>3,811,908</u>	<u>(50,261,273)</u>	<u>(1,317,729)</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2023	45,131,636	3,811,908	(50,261,273)	(1,317,729)
Profit after income tax expense for the year	-	-	987,202	987,202
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	987,202	987,202
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 6)	198,175	-	-	198,175
Balance at 31 December 2023	<u>45,329,811</u>	<u>3,811,908</u>	<u>(49,274,071)</u>	<u>(132,352)</u>

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

Candy Club Holdings Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Interest received		1,089	719
Payments to suppliers and employees (inclusive of GST)		<u>(359,916)</u>	<u>(897,813)</u>
Net cash (used) in operating activities		<u>(358,827)</u>	<u>(897,094)</u>
Cash flows from investing activities			
Loans to related parties		<u>-</u>	<u>(700,000)</u>
Net cash (used) in investing activities		<u>-</u>	<u>(700,000)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options	6	200,000	-
Proceeds from borrowings		82,600	-
Share issue transaction costs	6	(1,825)	-
Repayment of lease liabilities		<u>(102,923)</u>	<u>-</u>
Net cash from financing activities		<u>177,852</u>	<u>-</u>
Net decrease in cash and cash equivalents		(180,975)	(1,597,094)
Cash and cash equivalents at the beginning of the financial year		<u>182,611</u>	<u>1,779,705</u>
Cash and cash equivalents at the end of the financial year	2	<u><u>1,636</u></u>	<u><u>182,611</u></u>

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

Candy Club Holdings Limited
Notes to the financial statements
31 December 2023

Note 1. Discontinued operations

Description

On 25 October 2022, the Company announced that it had been placed into voluntary administration. On 31 January 2023 the Company signed a sales agreement to formally dispose of its wholly owned subsidiary, Candy Club Holdings Inc. and its subsidiaries ("the subsidiaries"). The disposal has been accounted for as an adjusting post balance date event, in the prior year financial statements, on the basis that settlement on 31 January 2023 was considered a mere formality of disposal arrangements that commenced directly after the Company entered voluntary administration.

The Company received \$38,941 (US\$25,000) in consideration for the disposal, before transaction costs of \$11,566 (US\$7,425). This has been recognised as other income from discontinued operations.

Financial performance information

	2023	2022
	\$	\$
Other income	-	27,375
Profit before income tax expense	-	27,375
Income tax expense	-	-
Profit after income tax expense from discontinued operations	<u>-</u>	<u>27,375</u>

Note 2. Cash and cash equivalents

	2023	2022
	\$	\$
<i>Current assets</i>		
Cash on hand	200	200
Cash at bank	1,436	-
Cash held by company's administrator	-	182,411
	<u>1,636</u>	<u>182,611</u>

Note 3. Trade and other receivables

	2023	2022
	\$	\$
<i>Current assets</i>		
Consideration for disposal of investment (net of transaction costs)	-	27,375
BAS receivable	1,927	1,991
	<u>1,927</u>	<u>29,366</u>

Note 4. Trade and other payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	25,183	66,481
Other payables	28,132	129,502
	<u>53,315</u>	<u>195,983</u>

Candy Club Holdings Limited
Notes to the financial statements
31 December 2023

Note 5. Borrowings

	2023 \$	2022 \$
<i>Current liabilities</i>		
Bridging finance - from entities related to former directors	-	1,339,838
Loan from director related entity	52,600	-
Loan from other entity	30,000	-
	<u>82,600</u>	<u>1,339,838</u>

On 31 January 2023, the company negotiated the full settlement of the bridging finance, via a third party associated with Steve Nicols. The company paid a total of AU\$102,923 and a gain on debt forgiveness of \$1,200,050 was recognised.

The loans from director related entity and other entity are interest free and have no fixed term for repayment.

Note 6. Issued capital

	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	<u>99,999,733</u>	<u>367,465,931</u>	<u>45,329,811</u>	<u>45,131,636</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2022	365,465,931		44,953,868
Shares issued upon conversion of performance rights	9 March 2022	<u>2,000,000</u>	\$0.08880	<u>177,768</u>
Balance	31 December 2022	367,465,931		45,131,636
Share consolidation (24 to 1 basis)	6 June 2023	(352,155,116)	\$0.00000	-
Issue of shares	26 June 2023	84,688,918	\$0.00236	200,000
Cost of capital raising		<u>-</u>	\$0.00000	<u>(1,825)</u>
Balance	31 December 2023	<u>99,999,733</u>		<u>45,329,811</u>

Note 7. Earnings /(loss) per share

	2023 \$	2022 \$
<i>Earnings/(loss) per share from continuing operations</i>		
Profit/(loss) after income tax attributable to the owners of Candy Club Holdings Limited	<u>987,202</u>	<u>(1,799,330)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>58,812,492</u>	<u>15,295,553</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>58,812,492</u>	<u>15,295,553</u>
	Cents	Cents
Basic earnings/(loss) per share	1.68	(11.76)
Diluted earnings /(loss) per share	1.68	(11.76)

Candy Club Holdings Limited
Notes to the financial statements
31 December 2023

Note 7. Earnings /(loss) per share (continued)

	2023	2022
	\$	\$
<i>Earnings per share for profit from discontinued operations</i>		
Profit after income tax attributable to the owners of Candy Club Holdings Limited	-	27,375
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	58,812,491	15,295,553
Weighted average number of ordinary shares used in calculating diluted earnings per share	58,812,491	15,295,553
	Cents	Cents
Basic earnings per share	-	0.18
Diluted earnings per share	-	0.18
	2023	2022
	\$	\$

<i>Earnings/(loss) per share</i>		
Profit/(loss) after income tax attributable to the owners of Candy Club Holdings Limited	987,202	(1,771,955)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	58,812,491	15,295,553
Weighted average number of ordinary shares used in calculating diluted earnings per share	58,812,491	15,295,553
	Cents	Cents
Basic earnings/(loss) per share	1.68	(11.58)
Diluted earnings /(loss) per share	1.68	(11.58)

On 6 June 2023, the company completed a consolidation of all shares and options on 24 to 1 basis. In accordance with the requirements of AASB 133, the EPS have been determined using the post consolidation number of shares and the comparatives have been restated to reflect this.