

BRONSON GROUP LIMITED
(ABN 60 006 569 124)
AND CONTROLLED ENTITIES

APPENDIX 4D

HALF YEAR REPORT

PERIOD ENDING 31 DECEMBER 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information	Half-year Ended 31 December 2015	Half-year Ended 31 December 2014	% Change
	\$	\$	
Revenue from ordinary activities	1,679,747	1,623,518	3.46%
Loss after tax from ordinary activities attributable to members	(207,754)	(941,872)	77.94%
Loss attributable to members	(207,754)	(941,872)	77.94%

COMMENTARY ON THE RESULTS FOR THE PERIOD

The commentary on the results for the period is contained in the "Review of Operations" included within the Directors' Report.

NET TANGIBLE ASSETS PER SHARE

	Half-year Ended 31 December 2015	Half-year Ended 31 December 2014
	Cents per Share	Cents per Share
Net tangible assets per share	(0.00426)	(0.00495)

CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF-YEAR

There have been no subsidiaries acquired or disposed of during the 6 months period to 31 December 2015.

**Bronson Group Limited
ABN 60 006 569 124
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Interim Financial Report**

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2015.

Directors

The names of directors who held office during or since the end of the half-year:

Pierre Safi (Appointed 19 October 2015)

John White (Appointed 8 July 2015)

Desmond Smale

Roger Smith (Resigned 21 September 2015)

Chu Hon Tong (Resigned 20 October 2015)

Review of Operations

The consolidated loss for the 6 months to 31 December 2015 was \$207,754 as compared to a loss of \$941,872 for the corresponding 6 months to 31 December 2014. Revenue for the half-year was \$1,679,747 compared to \$1,623,518 for the corresponding period last year.

This loss for the current period was primarily attributed to a number of non-cash items including the impairment charge of \$162,519 plus a further provision for obsolete stock of \$27,027.

A key development is the launch in December 2015 of 64 new lines of Bath Accessories, Beauty Implements and Hair Care accessories into a supermarket group with the prospect of additional lines coming on board in the near future. We expect this extension of our business to add to our profit in the future.

The Company has terminated the Triple R agreement which unfortunately did not deliver on its promise. Regrettably most projects resulted in losses and it was imperative that we suspended the program altogether. Management is more acutely focussed on non-core operations with closer scrutiny on profitability.

Bronson Group Limited
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Auditor's Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'John White', with a stylized flourish at the end.

John White, Director

Dated this 29th day of February 2016

**BRONSON GROUP LIMITED
ABN 60 006 569 124
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BRONSON GROUP LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
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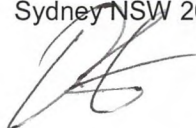
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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015 there have been no contraventions of:

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



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND

Partner

Date: 29 February 2016

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Bronson Group Limited
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Interim Financial Report

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated Group	
	31.12.2015	31.12.2014
	\$	\$
Revenue	1,697,599	1,623,518
Expenses		
Cost of product sold	1,194,449	878,185
Provision for slow moving stock	27,027	298,340
Advertising and media expenses	9,998	21,405
Travel expenses	13,087	5,366
Financial expenses	49,288	190,216
Depreciation and amortisation	2,409	3,781
Employee benefit expenses	213,417	337,005
Legal compliance and professional fees	64,038	320,209
Rental and operating lease expenses	94,206	88,182
Warehouse and distribution costs	15,078	144,620
Bad debt	-	3,688
Impairment charge	162,519	230,137
Other expenses	59,836	44,256
Total Expenses	1,905,352	2,565,390
Loss before income tax	(207,754)	(941,872)
Income tax expense	-	-
Loss for the period	(207,754)	(941,872)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Adjustments from translation of foreign controlled entities	-	(1,129)
Other comprehensive income for the period	-	(1,129)
Total comprehensive income for the period	(207,754)	(943,001)
Loss attributable to members of the parent entity	(207,754)	(941,872)
Non-controlling interests	-	-
	(207,754)	(941,872)
Total comprehensive income attributable to members of the parent entity	(207,754)	(943,001)
Non-controlling interests	-	-
	(207,754)	(943,001)
Earnings per share		
From continuing operations		
Basic earnings per share (cents per share)	(0.00056)	(0.00513)
Diluted earnings per share (cents per share)	(0.00056)	(0.00513)

The accompanying notes form part of these financial statements.

Bronson Group Limited
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Interim Financial Report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	Consolidated Group	
		31.12.2015	30.06.2015
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,738	3,460
Trade and other receivables	10	730,495	636,267
Inventories		651,219	483,398
Other current assets	11	30,812	9,962
TOTAL CURRENT ASSETS		1,414,263	1,133,087
NON-CURRENT ASSETS			
Plant and equipment		24,860	27,270
Intangible assets	7	-	162,519
TOTAL NON-CURRENT ASSETS		24,860	189,789
TOTAL ASSETS		1,439,123	1,322,876
CURRENT LIABILITIES			
Trade and other payables		1,201,287	1,123,534
Short-term provisions		76,094	55,775
Financial Liabilities	5	1,620,199	730,656
TOTAL CURRENT LIABILITIES		2,897,580	1,909,965
NON-CURRENT LIABILITIES			
Financial Liabilities	5	133,950	797,564
TOTAL NON-CURRENT LIABILITIES		133,950	797,564
TOTAL LIABILITIES		3,031,530	2,707,529
NET ASSETS		(1,529,408)	(1,384,653)
EQUITY			
Issued capital		11,988,070	11,988,070
Retained earnings		(13,580,478)	(13,372,723)
TOTAL EQUITY		(1,592,408)	(1,384,653)

The accompanying notes form part of these financial statements.

Bronson Group Limited
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED
31 DECEMBER 2015

	Share Capital Ordinary	Accumulated (Losses)/ Profit	Option Reserve	Foreign Currency Translation Reserve	Non Controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1.7.2014	8,431,687	(12,278,483)	382,555	(201,632)	71	(3,665,802)
Loss attributable to members of parent entity	-	(941,872)	-	-	-	(941,872)
Shares issued during the period	3,156,383	-	-	-	-	3,156,383
Transfer of expired options from option reserve to accumulated losses	-	382,555	(382,555)	-	-	-
Total other comprehensive income for the period	-	-	-	(1,129)	-	(1,129)
Balance at 31.12.2014	11,588,070	(12,837,800)	-	(202,761)	71	(1,452,420)
Balance at 1.7.2015	11,988,070	(13,372,724)	-	-	-	(1,384,654)
Loss attributable to members of parent entity	-	(207,754)	-	-	-	(207,754)
Balance at 31.12.2015	11,988,070	(13,580,478)	-	-	-	(1,592,408)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED
31 DECEMBER 2015

	Consolidated Group	
Note	31.12.2015	31.12.2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,585,519	1,581,680
Payments to suppliers	(1,788,462)	(1,709,080)
Interest received	7	34
Interest paid	(30,363)	(164,562)
Other income	17,845	8,081
Net cash inflow/(outflow) from operating activities	(215,454)	(283,847)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for equipment	-	(946)
Net cash (outflow)/inflow from investing activities	-	(946)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments to related parties	-	(1,867)
Proceeds from issue of shares	-	225,000
Proceeds from borrowings	101,342	75,000
Net cash inflow/(outflow) from financing activities	101,342	298,133
Net increase/(decrease) in cash held	(114,112)	13,340
Cash at beginning of period	(431,398)	(452,643)
Effect of exchange rates on cash holdings in foreign currencies	-	621
Cash at end of period	9 (545,510)	(438,682)

The accompanying notes form part of these financial statements.

**Bronson Group Limited
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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. The group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Bronson Group Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the half-year.

The interim financial statements were authorised for issue on 29 February 2015.

Going Concern

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

The net loss for the consolidated entity for the half year ended December 2015 was \$207,754 and the working capital deficiency as at 31 December 2015 was \$1,483,317.

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis for the following reasons:-

- The groups budget for the period from January 2016 to March 2017 shows a forecast profitable position reflecting the 64 new lines of Bath, Beauty and Hair Care accessories.
- The considerable reduction in Employee benefit expense.
- The cut back in loss making activities attributable to the Triple R agreement.
- The Group has raised funds during the half year through other loans to meet the company's ongoing working capital requirements and has the ability to raise further funding for its operations through the issue of further loans and/or equity from shareholders and other sophisticated investors should the need arise.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Bronson Group Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

**Bronson Group Limited
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NOTE 2: LOSS FOR THE PERIOD

All the significant revenue and expense items for the period are disclosed on the face of the Statement of Comprehensive Income.

NOTE 3: DIVIDENDS

No dividends were paid or provided for the current period.

**Bronson Group Limited
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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 4: OPERATING SEGMENTS

The Group operates in a single segment being marketing and distribution to local retailers in Australia.

NOTE 5: BORROWINGS

	Consolidated Group	
	31.12.2015	30.06.2015
	\$	\$
CURRENT		
Bank overdraft	547,248	434,858
Trade finance	294,942	295,798
Loan from shareholders	137,099	-
Loan from related party	640,910	-
	<u>1,620,199</u>	<u>730,656</u>
NON CURRENT		
Other loans	17,609	17,609
Loans from shareholders	15,000	-
Loan from related party	101,341	779,955
	<u>133,950</u>	<u>797,564</u>

Bronson Group Limited
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 6: CONTINGENT LIABILITIES

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

NOTE 7: INTANGIBLE ASSETS

	Consolidated Group	
	31.12.2015	30.06.2015
	\$	\$
	-	-
Supply agreement	200,000	200,000
Less accumulated impairment losses	(200,000)	(37,481)
Net carrying value	-	162,519

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant events subsequent to balance date.

NOTE 9: RECONCILIATION OF CASH

	Consolidated Group	
	31.12.2015	31.12.2014
	\$	\$
Cash on hand	1,738	4,721
Bank overdraft	(547,248)	(443,403)
	(545,510)	(438,682)

NOTE 10: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	31.12.2015	30.06.2015
	\$	\$
Trade receivables	822,887	679,127
Less provision for settlement discount	(92,392)	(42,860)
	730,495	636,267

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

Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion 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.

A handwritten signature in black ink, appearing to read 'John White', with a stylized flourish at the end.

John White, Director

Dated this 29th day of February 2016

**BRONSON GROUP LIMITED
ABN 60 006 569 124
AND ITS CONTROLLED ENTITIES**

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

SYDNEY

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bronson Group, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Bronson Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Bronson Group Limited's financial position as at 31 December 2015 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bronson Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bronson Group Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Bronson Group Limited's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion we draw attention to Note 1 to the financial report which indicates that the consolidated entity incurred a net loss of \$207,754 during the half year ended 31 December 2015 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$1,483,317. These conditions, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty which may cast doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the half-year financial report.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND

Partner

Date: 29 February 2016