

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 period ended 31 December 2018

2. Results for announcement to the market

	\$
Revenues from ordinary activities	1,010,141
Loss from ordinary activities after tax attributable to the owners of Candy Club Holdings Limited	(1,271,665)
Loss for the period attributable to the owners of Candy Club Holdings Limited	(1,271,665)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,271,665.

3. Net tangible assets

	Reporting period Cents
Net tangible assets per ordinary security	<u><u>(0.88)</u></u>

4. Control gained over entities

Name of entities (or group of entities) Candy Club Holding Inc
Date control gained 13 November 2018

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(1,237,913)

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current 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 preliminary report has not been audited

11. Attachments

Details of attachments (if any):

The Preliminary Report of Candy Club Holdings Limited for the period ended 31 December 2018 is attached.

12. Signed

Signed



Keith Cohn

Date: 27 February 2019

Candy Club Holdings Limited

ACN 629 598 778

Preliminary Report - 31 December 2018

Candy Club Holdings Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2018

	Note	Consolidated 24 Oct to 31 Dec 18 \$
Revenue	1	1,010,126
Interest revenue calculated using the effective interest method		15
Expenses		
Raw materials and consumables used		(713,212)
Corporate and administration expenses		(173,276)
Marketing and promotional expenses		(413,923)
Employee benefits expense		(570,924)
Development expenses		(99,610)
Depreciation and amortisation expense		(6,369)
Technology expenses		(46,439)
Property expenses		(64,343)
Other expenses		(173,365)
Finance costs		(20,345)
Loss before income tax expense		(1,271,665)
Income tax expense		-
Loss after income tax expense for the period attributable to the owners of Candy Club Holdings Limited		(1,271,665)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation		(73,634)
Other comprehensive income for the period, net of tax		(73,634)
Total comprehensive income for the period attributable to the owners of Candy Club Holdings Limited		(1,345,299)
		Cents
Basic earnings per share	11	(1.70)
Diluted earnings per share	11	(1.70)

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 2018

	Note	Consolidated 31 Dec 18 \$
Assets		
Current assets		
Cash and cash equivalents		12,499
Trade and other receivables	2	202,071
Inventories	3	2,569,600
Other	4	748,534
Total current assets		<u>3,532,704</u>
Non-current assets		
Property, plant and equipment		65,049
Intangibles		7,300
Other	5	75,684
Total non-current assets		<u>148,033</u>
Total assets		<u>3,680,737</u>
Liabilities		
Current liabilities		
Trade and other payables	6	3,807,355
Borrowings	7	578,067
Other	8	230,670
Total current liabilities		<u>4,616,092</u>
Total liabilities		<u>4,616,092</u>
Net liabilities		<u><u>(935,355)</u></u>
Equity		
Issued capital	9	18,421,368
Reserves	10	(18,085,058)
Accumulated losses		<u>(1,271,665)</u>
Total deficiency in equity		<u><u>(935,355)</u></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 period ended 31 December 2018

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 24 October 2018	-	-	-	-
Loss after income tax expense for the period	-	-	(1,271,665)	(1,271,665)
Other comprehensive income for the period, net of tax	-	(73,634)	-	(73,634)
Total comprehensive income for the period	-	(73,634)	(1,271,665)	(1,345,299)
Commonly controlled reserve recognised on acquisition of Candy Club Holdings Inc	-	(19,028,762)	-	(19,028,762)
Share based payment reserve transferred on acquisition of Candy Club Holdings Inc	-	965,702	-	965,702
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	18,421,368	-	-	18,421,368
Share-based payments	-	51,636	-	51,636
Balance at 31 December 2018	<u>18,421,368</u>	<u>(18,085,058)</u>	<u>(1,271,665)</u>	<u>(935,355)</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 period ended 31 December 2018

	Note	Consolidated 24 Oct to 31 Dec 18 \$
Cash flows from operating activities		
Receipts from customers		1,068,773
Payments to suppliers and employees		<u>(2,124,714)</u>
		(1,055,941)
Interest received		<u>15</u>
Net cash used in operating activities		<u>(1,055,926)</u>
Cash flows from investing activities		
Payments for property, plant and equipment-		(7,270)
Cash acquired from commonly controlled acquisition		<u>527,243</u>
Net cash from investing activities		<u>519,973</u>
Cash flows from financing activities		
Proceeds from issue of shares	9	200
Proceeds from borrowings		<u>548,252</u>
Net cash from financing activities		<u>548,452</u>
Net increase in cash and cash equivalents		12,499
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period		<u><u>12,499</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 2018

Note 1. Revenue

	Consolidated 24 Oct to 31 Dec 18 \$
Sales of goods	<u><u>1,010,126</u></u>

Note 2. Current assets - trade and other receivables

	Consolidated 31 Dec 18 \$
Trade receivables	56,629
Other receivables	137,233
BAS receivable	<u>8,209</u>
	<u><u>202,071</u></u>

Note 3. Current assets - inventories

	Consolidated 31 Dec 18 \$
Stock on hand - at net realisable value	<u><u>2,569,600</u></u>

Note 4. Current assets - other

	Consolidated 31 Dec 18 \$
Prepayments	109,303
Prepaid IPO costs	<u>639,231</u>
	<u><u>748,534</u></u>

Note 5. Non-current assets - other

	Consolidated 31 Dec 18 \$
Security deposits	<u><u>75,684</u></u>

Candy Club Holdings Limited
Notes to the financial statements
31 December 2018

Note 6. Current liabilities - trade and other payables

	Consolidated 31 Dec 18 \$
Trade payables	2,826,441
Interest payable	9,470
Other payables	<u>971,444</u>
	<u><u>3,807,355</u></u>

Note 7. Current liabilities - borrowings

	Consolidated 31 Dec 18 \$
Loan - bridging finance	<u>578,067</u>

Note 8. Current liabilities - other

	Consolidated 31 Dec 18 \$
Deferred revenue	<u>230,670</u>

Note 9. Equity - issued capital

	Consolidated 31 Dec 18 Shares	31 Dec 18 \$
Ordinary shares - fully paid	<u>106,726,399</u>	<u>18,421,368</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	24 October 2018	-		-
Founder shares	24 October 2018	20,001	\$0.0100	200
Investment in Candy Club Holdings Inc	12 November 2018	75,303,017	\$0.1400	11,031,892
Conversion of debt	13 November 2018	29,488,494	\$0.2404	7,091,107
Settlement of liabilities	28 November 2018	<u>1,914,887</u>	\$0.1557	<u>298,169</u>
Balance	31 December 2018	<u><u>106,726,399</u></u>		<u><u>18,421,368</u></u>

Candy Club Holdings Limited
Notes to the financial statements
31 December 2018

Note 10. Equity - reserves

	Consolidated 31 Dec 18 \$
Foreign currency reserve	(73,634)
Share-based payments reserve	1,017,338
Commonly controlled reserve	<u>(19,028,762)</u>
	<u><u>(18,085,058)</u></u>

Note 11. Earnings per share

	Consolidated 24 Oct to 31 Dec 18 \$
Loss after income tax attributable to the owners of Candy Club Holdings Limited	<u>(1,271,665)</u>
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>74,925,607</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>74,925,607</u></u>
	Cents
Basic earnings per share	(1.70)
Diluted earnings per share	(1.70)