

# **BRONSON GROUP LIMITED**

A.B.N. 60 006 569 124

**ANNUAL REPORT**

**FOR THE YEAR ENDED**

**30 JUNE 2018**

**BRONSON GROUP LIMITED**  
ABN 60 006 569 124  
**ANNUAL REPORT 30 JUNE 2018**

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**CORPORATE DIRECTORY**

**Directors**

Peter Wall – Non-Executive Chairman  
Ben Phillips – Non-Executive Director  
Graham Durtanovich – Non-Executive Director

**Company Secretary**

Stephen Buckley

**Registered office**

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46-50 Kings Park Road  
West Perth 6005  
Ph: +61 8 6189 1155  
Fax: +61 8 9200 3742  
Website: [www.bronsongroup.com.au](http://www.bronsongroup.com.au)

**Auditors**

BDO  
Level 1  
38 Station Street  
Subiaco WA 6008

**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**

## Bronson Group Limited ABN 60 006 569 124 and Controlled Entity

### DIRECTORS' REPORT

Your directors present their report of the company and its controlled entities for the financial year ended 30 June 2018.

#### Information on Directors

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

<b>Peter Wall</b>	—	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	—	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) Transcendence Technologies Limited (Non-Executive Chairman - appointed 6 October 2015) Sky and Space Global Ltd (Non-Executive Chairman- 27 October 2015) Pursuit Minerals Ltd (Non-Executive Chairman – appointed 13 January 2016) Argent Minerals Limited (Non-Executive Chairman-appointed 23 April 2018)
<b>Ben Phillips</b>	—	Non-Executive Director (appointed 18 April 2018)
Experience	—	Mr Phillips has over 15 years' experience providing consultation for a broad spectrum of companies including Oil and Gas, Resources, MedTech and Defence. He has provided services to departments ranging from R&D through to product commercialisation and sales.
		Mr Phillips has worked in corporate finance for the last 4 years with a focus on structuring of "funding and new management' for small cap companies both private and public. He has been working at Ironside Capital since the company's incorporation having previously held a position at Merchant Corporate Finance.
Interest in Shares and Options	—	Nil
Directorships held in listed entities	—	Nil
<b>Graham Durtanovich</b>	—	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.

**Bronson Group Limited ABN 60 006 569 124  
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**DIRECTORS' REPORT (CONT)**

Interest in Shares and Options	—	Nil
Directorships held in listed entities	—	Rafaella Resources (Non-Executive Chairman appointed 15 March 2018) JV Global Limited (Non-Executive Director appointed 29 November 2017) Blue Label Resources Limited (Non-Executive Director appointed 6 March 2018)
<b>Adam Blumenthal</b>	—	Non-Executive Director (appointed 2 June 2017, ceased 18 April 2018)
<b>Stephen Buckley</b>	—	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.
<b>Amit Edri</b>	—	Managing Director (appointed 2 September 2017, ceased 28 February 2018)

# Bronson Group Limited ABN 60 006 569 124 and Controlled Entity

## DIRECTORS' REPORT (CONT)

### Meeting of Directors

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
Ben Phillips	-	-

### Principal Activities

The company was placed in administration on the 9 June 2016 and came out of DOCA in 2 June 2017. The Company has been dormant for the 2017 and 2018 financial years.

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. On the 24 October 2017 it was announced, Bronson Group was unable to satisfy all of the re-compliance requirements set by ASX. As such, the parties to the Agreement agreed to mutually terminate the agreement with no acknowledgement of fault by either party.

The company has since continued to explore opportunities across all industries, with the aim of re-complying with Chapters 1 and 2.

### Operating Results

The consolidated loss of the group after providing for income tax amounted to \$594,046 (2017: Profit of \$2,503,699).

### Dividends Paid or Recommended

No interim dividend (2017: Nil) was paid during the year. No final dividend is recommended by the Directors.

### Review of Operations

The company is currently exploring opportunities across all industries, with the aim of re-complying with Chapters 1 and 2.

### Financial Position

The net asset deficiency of the group at 30 June 2018 was \$162,479 (2017: net asset of \$158,281).

### Significant Changes in State of Affairs

On 14 July 2017, 45,000,000 unlisted options expiring 14 July 2021 at an exercise price of \$0.02 were issued raising \$450.00 as approved by shareholders at the General Meeting held on 15 May 2017.

On the 30 November 2017, 15,000,000 Ordinary Fully Paid Shares and 15,000,000 unlisted options expiring 14 July 2021 at an exercise price of \$0.02 were issued as per Convertible loan agreement, raising \$300,000.

# Bronson Group Limited ABN 60 006 569 124 and Controlled Entity

## DIRECTORS' REPORT (CONT)

### Likely developments and expected results of operations

The board continues to explore opportunities across all industries, to enable relisting via Chapters 1 and 2.

### 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.

### Events since the end of the financial year

On 18 July 2018, Bronson Marketing Pty Ltd a 100% subsidiary of the company applied for voluntary deregistration.

### 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
30 November 2017	14 July 2021	\$0.02	15,000,000

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 13 June 2018, Director and Officers Insurance was taken out with Liberty Mutual Insurance Company for \$14,520 (Incl. GST).

### Non-Audit Services

The company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/or Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the year are set out in note 15.

### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 11.

# Bronson Group Limited ABN 60 006 569 124 and Controlled Entity

## 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, ceased 18 April 2018)

Graham Durtanovich – Non-Executive Director (appointed 2 June 2017)

Ben Phillips – Non-Executive Director (appointed 18 April 2018)

Amit Edir – Managing Director (appointed 2 September 2017, ceased 28 February 2018)

### 1. Introduction

The remuneration policy of the Company has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns executive reward with the creation of value for shareholders and conforms to market best practice. The Board ensures that Director and executive reward satisfies the following key criteria for good reward government practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholder;
- Performance;
- Transparency; and
- Capital management.

### 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 or during 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 \$300,000 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 \$109,100, of which \$72,000 has been accrued.

**5. Details of Remuneration**

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

30 June 2018	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
<b>Non-Executive Directors</b>						
Peter Wall (1)	36,000	-	-	-	36,000	-
Adam Blumenthal (2)	30,000	-	-	-	33,000	-
Ben Phillips (3)	7,100	-	-	-	7,100	-
Graham Durtanovich (4)	36,000	-	-	-	36,000	-
<b>Total</b>	<b>109,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109,100</b>	<b>-</b>

(1) Appointed 2 June 2017

(2) Appointed 2 June 2017, ceased 18 April 2018

(3) Appointed 18 April 2018

(4) Appointed 2 June 2018

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

**Bronson Group Limited ABN 60 006 569 124  
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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.

<b>30 June 2018</b>	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	-	-	-	-	-
Ben Phillips	-	-	-	-	-
Graham Durtanovich	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**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:

<b>30 June 2018</b>	Balance at the start of the year	Granted as Compensation	Options Exercised	Other changes during the year	Balance at end of Year
Peter Wall	-	-	-	-	-
Adam Blumenthal	-	-	-	-	-
Ben Phillips	-	-	-	-	-
Graham Durtanovich	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**7. Loans to KMP and their related parties**

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

**Bronson Group Limited ABN 60 006 569 124  
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**REMUNERATION REPORT (AUDITED) (CONT)**

**8. 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 \$203,953 in relation to legal services provided to the Company.
  
- EverBlu Capital, an entity associated with Adam Blumenthal, received payments totalling \$9,900 in relation to services provided to the Company under the Equity Capital Markets and Financial Advisor Mandate.
  
- Total Exchange Services, an entity associated with Graham Durtanovich, received payments totalling \$17,009 in relation to accounting services provided to the company.

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

**(End of Remuneration Report)**

Signed in accordance with a resolution of the directors.



Peter Wall  
Non-Executive Chairman  
Dated 28 September 2018

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF BRONSON GROUP LIMITED

As lead auditor of Bronson Group Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bronson Group Limited and the entity it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth, 28 September 2018

**Bronson Group Limited ABN 60 006 569 124  
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>30.06.2018</b>	<b>30.06.2017</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	507	45
Other income	2	-	3,095,418
Administration fee (DOCA)		-	(250,000)
Audit and Accounting		(39,191)	(77,830)
Corporate Fees		(60,000)	(148,833)
Director Fees		(108,000)	(9,000)
Travel expenses		(69,630)	(5,516)
Financial expenses		(595)	(567)
Legal compliance and professional fees		(181,891)	(44,667)
Share Registry Fees		(3,087)	(21,259)
Other expenses		(132,159)	(34,092)
<b>Profit (loss) before income tax</b>		<b>(594,046)</b>	<b>2,503,699</b>
Income tax benefit/(expense)	3	-	-
<b>Profit (loss) for the year</b>		<b>(594,046)</b>	<b>2,503,699</b>
Other comprehensive income (loss) for the year		-	-
Total comprehensive income (loss) for the year		-	-
<b>Total comprehensive profit (loss) for the year attributable to the owners of Bronson Group Limited</b>		<b>(594,046)</b>	<b>2,503,699</b>
<b>Earnings per share</b>			
Diluted (losses)/earnings per share	5	(0.010)	0.05
Basic (losses)/earnings per share	5	(0.010)	0.05

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**Bronson Group Limited ABN 60 006 569 124  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	Consolidated Group	
		30.06.18	30.06.17
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	50,334	213,328
Trade and other receivables	7	20,545	35,655
<b>TOTAL CURRENT ASSETS</b>		<u>70,879</u>	<u>248,983</u>
<b>TOTAL ASSETS</b>		<u>70,879</u>	<u>248,983</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	233,358	90,702
<b>TOTAL CURRENT LIABILITIES</b>		<u>233,358</u>	<u>90,702</u>
<b>TOTAL LIABILITIES</b>		<u>233,358</u>	<u>90,702</u>
<b>NET (LIABILITIES) ASSETS</b>		<u>(162,479)</u>	<u>158,281</u>
<b>EQUITY</b>			
Contributed equity	9	13,011,070	12,738,070
Option Reserve		285	-
Accumulated Losses		(13,173,835)	(12,579,789)
<b>TOTAL EQUITY/ (DEFICIENCY IN EQUITY)</b>		<u>(162,479)</u>	<u>158,281</u>

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

**Bronson Group Limited ABN 60 006 569 124  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Contributed Equity	Option Reserve	Accumulated (Losses)	Total
Consolidated Group	\$	\$	\$	\$
<b>Balance at 1.7.2016</b>	11,988,070	-	(15,083,488)	(3,095,418)
Profit for the year	-	-	2,503,699	2,503,699
Other comprehensive income	-	-	-	-
Total comprehensive income for the period net of tax	-	-	2,503,699	2,503,699
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the year	750,000	-	-	750,000
<b>Balance at 30.06.2017</b>	12,738,070	-	(12,579,789)	158,281
<b>Balance at 1.7.2017</b>	12,738,070	-	(12,579,789)	158,281
Share Issue Expenses	(27,000)	-	-	(27,000)
Loss for the year	-	-	(594,046)	(594,046)
Other comprehensive income	-	-	-	-
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the year	300,000	-	-	300,000
Option Reserve	-	285	-	285
<b>Balance at 30.6.2018</b>	13,011,070	285	(13,173,835)	162,479

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Bronson Group Limited ABN 60 006 569 124  
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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Consolidated Group	
		30.06.2018	30.06.2017
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers		(436,502)	(225,420)
Interest received		507	45
Interest paid		-	-
<b>Net cash (outflow) inflow from operating activities</b>	12	(435,995)	(225,375)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	750,000
Payment of share issue cost		(27,000)	-
Proceeds from borrowings		300,000	-
<b>Net cash inflow from financing activities</b>		273,000	750,000
<b>Net decrease in cash held</b>		(162,994)	524,625
Cash at beginning of year		213,328	(311,297)
<b>Cash and cash equivalents carried forward</b>	12	50,334	213,328

The above consolidated Statement of Cashflows should be read in conjunction with the accompanying notes.

**BRONSON GROUP LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**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 28 September 2018 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 directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2018, the Group made a net loss after income tax of \$594,046 (2017: net profit after income tax of \$2,503,699) and had cash outflows from operating activities of \$435,995 (2017: \$225,375). As at 30 June 2018, the Group had a working capital deficiency of current assets to liabilities of \$162,479 (2017: net assets position \$158,281) and cash and cash equivalents of \$50,334 (2017: \$213,328).

The ability of the Group to continue as a going concern is dependent upon continued financial support from its Directors related parties and creditors and on securing additional funding through capital raising to continue to fund its search for investment opportunities and to continue to meet its working capital requirements for the next 12 months.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe the Group will continue as a going concern and be able to pay its debts as and when they fall due, for the following reasons:

- The Group has continued financial support from the Directors and their associated entities, in that they have confirmed in writing that they will not call upon their loans to be repaid within the next 12 months, unless sufficient funds are available to do so without affecting the Company's going concern;
- In addition, the Directors have also embarked on a strategy to reduce costs in line with the funds available to the Group; and
- The Directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are confident in the ability of the Group to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recording asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

**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 2<sup>nd</sup> June 2017.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONT)**

To prepare the 2017 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 2017 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 2017.

**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 18 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.

*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.

**d. 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.

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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.

**e. 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.

**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.

**h. 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).

**i. 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.

**j. Trade and Other Payables**

Liabilities for trade creditors and other payables are initially measured at fair value and subsequently carried at amortised cost which is the amount of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually paid within 30 days. Payables to related parties are carried at the principal amount.

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**k. 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 Statement of Financial Position 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.

**l. Segment Information**

An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) , whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the Financial Statements.

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the corporate office and are located within Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

**m. Borrowings**

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

**n. 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.

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**o. Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for bonus elements in ordinary shares issued during the year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares outstanding plus the weighted average number of ordinary shares that would be issued on the conversion of all potential ordinary shares into ordinary shares

**p. Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**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.

<b>Consolidated Group</b>	
<b>2018</b>	<b>2017</b>
<b>\$</b>	<b>\$</b>

**NOTE 2: REVENUE AND OTHER INCOME**

**Revenue**

Interest income	<b>507</b>	<b>45</b>
	507	45

**Other income**

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

**Profit/(Loss) before income tax expense includes the following expenses.**

Administration fee (DOCA)	-	250,000
Financial expenses	595	567
Legal compliance and professional fees	181,891	44,667
Other	373,787	-
Travel	69,630	-
	69,630	-

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**NOTE 3: INCOME TAX EXPENSE**

		<b>Consolidated Group</b>	
		<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
a.	The components of income tax expense comprise:		
	Current tax	152,515	162,723
	Deferred tax	-	-
	Utilisation of deferred tax assets previously not recognised	-	-
	Deferred tax assets not recognised (losses)	(152,515)	(162,723)
	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:		
	Accounting profit (loss) from continuing operations before income tax	(594,046)	2,503,699
	Prima facie tax payable on (profit) from ordinary activities before income tax at 27.5% (2017: 27.5%)	(163,363)	688,517
	Add:		
	Tax effect of:		
	— Other non-allowable items	(10,848)	(851,240)
	Less:		
	Tax effect of:		
	— Utilisation of deferred tax assets previously not recognised	-	-
	— Deferred tax assets not recognised (losses)	152,515	162,723
	— Deferred tax assets not recognised (temporary)	-	-
	Income tax expense/(benefit)	-	-

**NOTE 4: DIVIDENDS**

No dividends have been paid during the financial year.

**NOTE 5: EARNINGS PER SHARE**

		<b>Consolidated Group</b>	
		<b>2018</b>	<b>2017</b>
a.	Net (loss) profit used in the calculation of basic EPS	\$ (594,046)	2,503,699
	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic (losses) earnings per share	No. 58,721,877	49,971,877

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		2018	2017
b. Basic (loss) profit per share	\$	(0.010)	0.05
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	No.	58,721,877	49,971,877

For the year ended 30 June 2018, diluted earnings per share was not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

**Consolidated Group**

<b>2018</b>	<b>2017</b>
\$	\$

**NOTE 6: CASH AND CASH EQUIVALENTS**

Cash at bank and on hand		50,334	213,328
		50,334	213,328

**NOTE 7: TRADE AND OTHER RECEIVABLES**

**Consolidated Group**

<b>2018</b>	<b>2017</b>
\$	\$

**CURRENT**

Trade and other receivables		20,545	35,655
		20,545	35,655

The group have considered the trade and other receivables as not impaired or past due.

**NOTE 8: TRADE AND OTHER PAYABLES**

**CURRENT**

Trade payables and other payables		233,359	90,702
		233,358	90,702

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONT)**

**NOTE 9: CONTRIBUTED EQUITY**

	<b>Consolidated Group</b>	
<b>a. Share Capital</b>	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Ordinary fully paid ordinary	64,971,877	49,971,877
	64,971,877	49,971,877

The Group has authorised share capital amounting to 64,971,877 ordinary shares.

	<b>Consolidated Group</b>	
	<b>No.</b>	<b>\$</b>
<b>b. Movements in ordinary shares on issue</b>		
Balance at 1 July 2016	374,148,121	11,988,070
Share consolidation (1 for 30) :		
– 15 <sup>th</sup> May 2017	(361,676,244)	-
Shares issued during the year:		
16 <sup>th</sup> June 2017	37,500,000	750,000
<b>Balance at 30 June 2017</b>	49,971,877	12,738,070
Shares issued during the year:		
30 <sup>th</sup> November 2017 (i)	15,000,000	300,000
Share issue costs		(27,000)
At the end of the reporting period	64,971,877	13,011,070

- (i) During the year, the Company entered into a binding convertible note agreement with unrelated parties, to raise a total of \$300,000. The terms of the loan provide that the loans may be satisfied by way of subscription of Shares at a price of \$0.02 and issuance of 1 Option for every 1 Share issued on conversion. On 30<sup>th</sup> November 2017, 15,000,000 Ordinary Fully Paid Shares were issued at an issue price of \$0.02 as approved in the AGM in 28 November 2017.

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

**c. Options**

The Convertible Note converted to 15,000,000 ordinary shares with a one for one free attaching option, being 15,000,000 options expiring 14<sup>th</sup> July 2021 with an exercise price of \$0.02.

<b>Details</b>	<b>Date of issue</b>	<b>No of options</b>	<b>Exercise price</b>
Opening balance	01-Jul-17	-	
Expiry date of 14 July 2021	14-Jul-17	45,000,000*	\$0.02
Expiry date of 14 July 2021	30-Nov-17	15,000,000	\$0.02
		60,000,000	

\*The 45,000,000 options were granted to Panorama Capital Pty Ltd and its nominees who are all unrelated entities of the Group, as approved at the annual general meeting on 15 May 2017. These options were issued in lieu of services provided which have been taken up the Group in 30 June 2017 financial period.

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**d. 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 10: COMMITMENTS AND CONTINGENCIES**

There are no material commitments or contingencies within the group at reporting date.

**NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE**

On 18 July 2018, Bronson Marketing Pty Ltd a 100% subsidiary of the company applied for voluntary deregistration.

**NOTE 12: CASH FLOW INFORMATION**

	<b>Consolidated Group</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
<b>a. Reconciliation of Cash Flow</b>		
Cash at the end of the financial year as showing in the statement of cash flows is balanced to items in the statement of financial position as follows:		
Cash and cash equivalents	50,334	213,328
	50,334	213,328
<b>b. Reconciliation of profit/(loss) after income tax expense to net cash provided by operating activities</b>		
Profit/ (Loss) after income tax	(594,046)	2,503,699
(Less)/add non-cash flows in profit/(loss) from ordinary activities:		
Debt forgiveness	-	(1,038,135)
Share based payments	285	-
Changes in assets and liabilities		
Trade and other receivables	15,110	(35,655)
Trade and other payables	142,656	(1,579,515)
Employee entitlements	-	(75,769)
	(435,995)	225,375

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**Note 13: 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. Bronson Marketing Pty Ltd since 30<sup>th</sup> June 2018 has been deregistered.

(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 14.

(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 \$203,953 in relation to legal services provided to the Company.
- EverBlu Capital, an entity associated with Adam Blumenthal, received payments totalling \$9,900 in relation to services provided to the Company under the Equity Capital Markets and Financial Advisor Mandate.
- Total Exchange Services, an entity associated with Graham Durtanovich, received payments totalling \$17,009 in relation to accounting services provided to the Company.

There were no other transactions with KMP and their related parties other than what is disclosed in note 14.

**NOTE 14: 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 2018.

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

	<b>2018</b>	<b>2017</b>
	\$	\$
Short-term employee benefits	109,100	9,000
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Total KMP compensation	109,100	9,000

**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.

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.

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**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 15: AUDITOR'S REMUNERATION**

	<b>Consolidated Group</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
Remuneration of the auditor for:		
– auditing or reviewing the financial statements – <i>Hall Chadwick (NSW)</i>	22,043	15,400
– auditing or reviewing the financial statements – <i>BDO Audit (WA) Pty Ltd</i>	15,000	-
– due diligence services	-	21,450
	37,043	36,850

**NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Interest Rate Risk**

At reporting date, the Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash, receivables and payables. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At reporting date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	<b>Consolidated Group</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
Financial Assets		
Cash and cash equivalents – interest bearing	50,334	213,328
Trade and other receivables	20,545	35,655
Net Exposure	29,789	177,673
Financial Liabilities		
Trade and other payables	233,358	90,702
Net Exposure	233,358	90,702

*Sensitivity*

At 30 June 2018, if interest rates had increased by 0.5% from the year end variable rates with all other variables held constant, post tax profit and equity for the group would have been \$252 higher (2017: changes of 0.5% \$10,666 higher). The 0.5% (2017: 0.5%) sensitivity is based on reasonably possible changes over a financial year, using an observed range of historical RBA movements over the last year.

**Liquidity Risk**

The Group has no significant exposure to liquidity risk as there is effectively no debt. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

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**Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

Significant cash deposits are with institutions with a minimum credit rating of AA (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor.

The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

**NOTE 17: 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.

	Parent Entity	
	2018	2017
	\$	\$
<b>Statement of Financial position of the parent entity at year end</b>		
Current assets	70,879	248,983
Total assets	70,879	248,983
Current Liabilities	233,358	90,702
Total liabilities	233,358	90,702
<b>Total equity of the parent entity comprising of:</b>		
Share capital	13,011,070	12,738,070
Reserves	285	-
Accumulated Losses	(13,173,835)	(12,579,789)
<b>Total equity</b>	<b>(162,479)</b>	<b>158,281</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total (Loss)/profit	(594,046)	2,503,699
<b>Total comprehensive (Loss)/income</b>	<b>(594,046)</b>	<b>2,503,699</b>

**NOTE 18: COMMITMENTSS AND CONTINGENCIES**

Bronson Group Limited does not have any commitments and contingent assets and liabilities at 30 June 2018.

**NOTE 18: CONTROLLED ENTITIES**

a. **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)	
		2018	2017
Subsidiaries of Bronson Group Limited			
Bronson Marketing Pty Ltd*	Australia	100%	100%
Icon Marketing International Pty Ltd	Australia		Dissolved

\*Bronson Marketing Pty Ltd applied for voluntary deregistration post 30<sup>th</sup> June 2018.

b. **Controlled Entities**

No controlled entities were acquired during the financial year.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONT)**

**NOTE 19: NEW ACCOUNTING STANDARDS**

**New and amended accounting standards and interpretations adopted by the Group**

The following new and amended accounting standards and interpretations relevant to the operations of the Group have been published by are not mandatory for the current financial year. The Group has decided against early adoption of these standards, and has not yet determined the potential impact on the financial statements from the adoption of these standards and interpretations.

New or revised requirement	Application date of standard	Application date for Group
<p><b>AASB 9: <i>Financial Instruments</i></b></p> <p>AASB 9 replaces AASB 139: <i>Financial Instruments: Recognition and Measurement</i>. The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.</p>	1 Jan 2018	1 Jul 2018
<p><b>AASB 15: <i>Revenue from Contracts with Customers</i></b></p> <p>The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.</p>	1 Jan 2018	1 Jul 2018
<p><b>AASB 16: <i>Leases</i></b></p> <p>This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.</p> <p>The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.</p>	1 Jan 2019	1 Jul 2019

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**DIRECTORS' DECLARATION**

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**In the opinion of the Directors of Bronson Group Limited**

- (a) the Financial Statements and Notes set out on pages 16 to 28 are 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 2018 and of their performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.
- (b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.
- (c) there are reasonable grounds to believe that Bronson Group Limited will be able to pay its debts as and when they become due and payable; and
- (d) the Directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the Financial Officer for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the Board of Directors.



Peter Wall  
Non-Executive Chairman  
Dated 28 September 2018

## INDEPENDENT AUDITOR'S REPORT

To the members of Bronson Group Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Bronson Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, 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 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

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

#### Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

### 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 of the current period. 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. Except for the matter described in the Material uncertainty related to going concern section, we have determined there are no key audit matters to be communicated in our report.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

### Other Matter

The financial report of the Group for the year ended 30 June 2017 was audited by another auditor who expressed a qualified opinion on that financial report on 26 September 2017. The opinion was qualified as the other auditor was unable to obtain sufficient appropriate evidence to verify the accuracy and completeness of comparative amounts for the year ended 30 June 2016, and the opinion on the 30 June 2017 was 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.

### 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 the 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 ability of the group 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 has 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our auditor's report.

#### Report on the Remuneration Report

##### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Bronson Group Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

##### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

BDO Audit (WA) Pty Ltd



Jarrad Prue

Director

Perth, 28 September 2018

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**CORPORATE GOVERNANCE STATEMENT**

This Corporate Governance Statement is current as at 28 September 2018 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 3<sup>rd</sup> 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 has been in suspension since 9 June 2016 and has been working on opportunities to re-quote the Company on the Australian Securities Exchange. 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 Company's Corporate Governance Policies are contained within the Corporate Governance Plan and available on the Company's website at [www.bronsongroup.com.au](http://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;
  - 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

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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](http://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.

he 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 within the Corporate Governance Plan on the Company's 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.

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.

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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 Graham Durtanovich	Non-Executive Director (appointed 2 June 2017);
Mr Ben Phillips	Non-Executive Director (appointed 18 April 2018);
Mr Amit Edri	Managing Director (appointed 11 September 2017; ceased 28 February 2018)
Mr Adam Blumenthal	Non-Executive Director (appointed 2 June 2017; ceased 18 April 2018);

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 with all being considered independent.

***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.

***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.

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**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. 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.

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**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:

- 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.

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**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 total fees paid to Non-Executive Directors during the reporting period were \$108,000. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

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 18 September 2018

As at 18 September 2018 there were 728 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 shareholders as at 18 September 2018 are as follows:

Ordinary Fully Paid Shares

Holder Name	Holding	% IC
Holdrey Pty Ltd <Don Mathieson Family A/C>	7,500,000	11.54%
Millwest Investments Pty Ltd <Millwest A/C>	5,000,000	7.70%
J P Morgan Nominees Australia Limited	5,000,000	7.70%
L1 Capital Global Opportunities Master Fund	5,000,000	7.70%
Suburban Holdings Pty Ltd <The Suburban Super Fund A/C>	5,000,000	7.70%
Sharon White	1,841,921	2.83%
Alltime Nominees Pty Ltd <Honeyham Family A/C>	1,750,000	2.69%
Mr Stephen Tomsic	1,750,000	2.69%
Mr Thomas Francis Corr	1,750,000	2.69%
Peloton Advisory Pty Ltd	1,650,000	2.54%
Rimoyne Pty Ltd	1,500,000	2.31%
Quintero Group Limited	1,500,000	2.31%
Mr John Anthony White	1,485,001	2.29%
Mr Justin George Hondris	1,250,000	1.92%
Mrs Margaret Julie Williams	1,250,000	1.92%
Neon Space Pty Ltd	1,250,000	1.92%
Est Mr Trevor Neil Hay	1,128,816	1.74%
Mrs Louise Jane Hartwig	1,000,000	1.54%
Tisia Nominees Pty Ltd <Henderson Family A/C>	1,000,000	1.54%
Silver Knight Holdings Pty Ltd <Gandossi Family A/C>	750,000	1.15%
<b>Totals</b>	<b>48,355,738</b>	<b>74.42%</b>

**BRONSON GROUP LIMITED**  
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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 18 September 2018 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 comprising a total of 1,184,126 ordinary fully paid shares. 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	0.16%
1,001 - 5,000	131	310,921	0.48%
5,001 - 10,000	36	264,666	0.41%
10,001 - 100,000	50	1,428,674	2.20%
100,001 - 9,999,999,999	59	62,862,127	96.75%
<b>Totals</b>	<b>728</b>	<b>64,971,877</b>	<b>100.00%</b>

**RESTRICTED SECURITIES**

There are no securities held under an ASX restriction.

**UNQUOTED SECURITIES**

As at 18 September 2018, the following unquoted securities are on issue:

**60,000,000 Options Expiring 14 July 2021 @ \$0.02 – 21 Holders**

*Holders with more than 20% - Nil*

**ON-MARKET BUY BACK**

There is currently no on-market buyback program.