

BRONSON GROUP LIMITED

A.C.N. 006 569 124

ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 31 DECEMBER 2018

1. DETAILS OF REPORTING PERIOD

Name of Entity	Bronson Group Limited ("the Company")
ABN	60 006 569 124
Reporting Period	31 December 2018
Previous Corresponding Period	31 December 2017

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2018 \$	31 Dec 2017 \$	Increase/ (Decrease) %	Amount change \$
Revenues from ordinary activities	-	-	-	-
Profit/(Loss) after tax from ordinary activities attributable to members	(152,797)	(424,057)	277.53%	271,260
Profit/(Loss) after tax attributable to members	(152,797)	(424,057)	277.53%	271,260

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Commentary on results:

For further information, refer to the review of activities contained in the directors' report, which forms part of the attached Interim Financial Report.

3. NET TANGIBLE ASSETS PER SHARE

	31 December 2018	31 December 2017
Net tangible asset backing per ordinary security	0.0049cents	0.00053 cents

4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

5. DIVIDEND DETAILS

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2018.

6. DETAILS OF DIVIDEND REINVESTMENT PLANS

N/A

7. DETAILS OF ASSOCIATE AND JOINT VENTURE ENTITIES

N/A

8. FOREIGN ENTITIES

Not Applicable

9. AUDIT

This report has been based on accounts that have been subject to a review. There are no items of dispute with the auditor and the review is not subject to qualification.



Peter Wall
Non-Executive Chairman

Date: 28 February 2019

BRONSON GROUP LIMITED

A.B.N. 60 006 569 124

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2018

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CORPORATE DIRECTORY

Directors

Peter Wall – Non-Executive Chairman

Graham Durtanovich – Non-Executive Director

Ben Phillips – Non-Executive Director

Company Secretary

Stephen Buckley

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West Perth 6005

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Website: www.bronsongroup.com.au

Auditors

BDO

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38 Station Street

Subiaco WA 6008

Share Registry

Automic Registry Services

Level 2267 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

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2018.

Directors

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

Name	Status	Appointed/Resigned
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

Company Secretary

Mr Stephen Buckley (appointed 2 June 2017)

Review of Operations

The Group was placed in administration on the 9 June 2016 and 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 Group has since continued to explore opportunities across all industries, with the aim of complying with Chapters 1 and 2.

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

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 31 December 2018.

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



Director

Peter Wall

Dated 28 February 2019

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

As lead auditor for the review of Bronson Group Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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 February 2019

Bronson Group Limited
ABN (60 006 569 124) and Controlled Entity

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED
 31 DECEMBER 2018

	Note	31.12.18	31.12.17
		\$	\$
Revenue		-	-
Interest income		14	-
Accounting and Audit		(25,692)	(9,516)
Corporate Costs		(96,909)	(133,622)
Legal compliance and professional fees		(28,662)	(140,385)
Travel		-	(69,831)
Other expenses		(1,548)	(70,703)
Loss before income tax		(152,797)	(424,057)
Income tax expense		-	-
Net (Loss) for the period		(152,797)	(424,057)
 Other comprehensive income:			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive loss for the period		(152,797)	(424,057)
 Loss is attributable to:			
Members of the parent entity		(152,797)	(424,057)
Non-controlling interest		-	-
		(152,797)	(424,057)
 Total comprehensive income for the half-year is attributable to:			
Members of the parent entity		(152,797)	(424,057)
Non-controlling interest		-	-
		(152,797)	(424,057)
 Earnings per share from continuing operations:			
- basic earnings per share (cents)		(0.0024)	(0.0065)
- diluted earnings per share (cents)		(0.0024)	(0.0065)

The accompanying notes form part of these financial statements.

Bronson Group Limited
ABN (60 006 569 124) and Controlled Entity

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	31.12.18	30.06.18
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,976	50,334
Trade and other receivables		29,451	20,545
TOTAL CURRENT ASSETS		31,427	70,879
NON-CURRENT ASSETS			
		-	-
TOTAL ASSETS		31,427	70,879
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		346,703	233,358
TOTAL CURRENT LIABILITIES		346,703	233,358
TOTAL NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		346,703	233,358
NET LIABILITIES		(315,276)	(162,479)
EQUITY			
Issued capital		13,011,070	13,011,070
Reserves		285	285
Retained earnings		(13,326,631)	(13,173,835)
TOTAL (DEFICIENCY IN EQUITY)		(315,276)	(162,479)

The accompanying notes form part of these financial statements.

Bronson Group Limited
ABN (60 006 569 124) and Controlled Entity

	Note	Issued Capital	Reserve	Retained Earnings	Total
		\$		\$	\$
Balance at 1.7.17		12,738,070	-	(12,583,415)	158,281
Loss attributable to members of parent entity		-	-	(424,057)	(424,057)
Transactions with owners		-	-	-	-
Option Reserve		-	285	-	285
Shares issued during the period		300,000	-	-	300,000
Balance at 31.12.17		13,038,070	285	(13,003,846)	34,509
Balance at 1.7.18		13,011,070	285	(13,173,835)	(162,479)
Loss attributable to members of parent entity		-	-	(152,797)	(152,797)
Transactions with owners		-	-	-	-
Option Reserve		-	-	-	285
Shares issued during the period		-	-	-	-
Balance at 31.12.18		13,011,070	285	(13,326,631)	(315,276)

The accompanying note form part of the financial statements

Bronson Group Limited
ABN (60 006 569 124) and Controlled Entity

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED
31 DECEMBER 2018

	Half-year	
	31.12.18	31.12.17
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	(48,373)	(412,806)
Interest received	14	340
Net cash (used in) by operating activities	(48,359)	(412,466)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash (used in)/provided by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	310,000
Proceeds from issue of options	-	60
Net cash provided by financing activities	-	310,060
Net decrease in cash held	(48,359)	(102,406)
Cash and cash equivalents at beginning of period	50,334	213,328
Cash and cash equivalents at end of period	1,976	110,922

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Bronson Group Limited (the Company) and its subsidiary (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 28th February 2019.

b. **Adoption of new and revised standards**

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2018.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period for which the Group has adopted:

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

The new accounting policies are disclosed below. There is no impact on the Group for the period ended 31 December 2018.

AASB 15 Revenue from contracts with Customers

AASB 15 Revenue from contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Management has considered AASB 15 and determined that there is no impact on the Group's financial statements as Bronson is not generating sales revenue at this stage.

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification and measurement

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Impairment

From 1 July 2018, the Group will assess, on a forward looking basis, any expected credit losses (ECLs) associated with any debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting period. The Group's assessment of the impact of these new standards and interpretations that may have an impact on the Group is set out below:

AASB 16 Leases

AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. The Group do not hold any leases and therefore this standard will not have a material impact to the Group's financial statements. This standard is not applicable until the financial year commencing 1 July 2019.

c. Going Concern

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

The net loss after income tax for the Group for the six months to 31 December 2018 was \$152,797 (31 December 2017: loss of \$424,057). As at 31 December 2018, the Group has a net liability position of \$315,276 (30 June 2018: net liability of \$162,479) and cash and cash equivalent of \$1,976 (30 June 2018: \$50,334).

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 securing additional funding through capital raising or issue of convertible notes 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 Director believe the Group will continue as a going concern and able to pay its debts as and when they fall due, for the following reasons:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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 in the next 12 months, unless sufficient funds are available to do so without affecting the Group'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;
- The Group is in process of issuing Convertible Notes to raise \$250,000. The funds will be used to meet the Group's cash requirements.

Going Concern (continued)

The Directors are of the opinion that the use of going concern basis of accounting is appropriate as they are confident in the ability of the Group to be successful in securing the 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 statements do 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 a going concern.

NOTE 2: CONTINGENT AND COMMITMENT

There has been no change in contingent and commitment since the last annual reporting period.

NOTE 3: EVENTS AFTER THE END OF THE INTERIM PERIOD

The directors are not aware of any significant events since the end of the interim period.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bronson Group Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 12 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Peter Wall

Non-Executive Chairman

Dated 28 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bronson Group Limited

Report on the Half-Year Financial Report

Disclaimer of Conclusion

We were engaged to review the half-year financial report of Bronson Group limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

We do not express a conclusion on the accompanying financial report of the Company. Because of the significance of the matter described in the *Basis for disclaimer of conclusion* section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on this financial report.

Basis for disclaimer of conclusion

As disclosed in Note 1(c) to the financial report, the Director state that the consolidated financial report has been prepared on a going concern basis. In assessing the going concern basis of preparation, the Directors have made a number of assumptions including the Group's ability to secure additional funding through the issue of convertible notes and a proposed capital raising. We have been unable to obtain sufficient appropriate evidence as to whether the Group may be able to secure this additional funding, and hence remove significant doubt of the Group's ability to continue as a going concern for a period of twelve months from the date of this auditor's review report.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. However, because of the matter described in the *Basis for disclaimer of conclusion* section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on the financial report. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', written in a cursive style.

Jarrad Prue

Director

Perth 28 February 2019