

Broo Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Broo Limited
ACN: 060 793 099
Reporting period: For the year ended 30 June 2019
Previous period: For the year ended 30 June 2018

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	41.8% to	3,657,939
Loss from ordinary activities after tax attributable to the owners of Broo Limited	down	28.8% to	(3,160,324)
Loss for the year attributable to the owners of Broo Limited	down	28.8% to	(3,160,324)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,160,324 (30 June 2018: \$4,436,359).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.10</u>	<u>0.32</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The financial statements have not been audited.

11. Attachments

Details of attachments (if any):

The Preliminary Report of Broo Limited for the year ended 30 June 2019 is attached.

12. Signed

Signed



Kent Grogan

Date: 30 August 2019

Broo Limited

ACN 060 793 099

Preliminary Report - 30 June 2019

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Broo Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Revenue	1	3,657,393	2,562,393
Interest revenue calculated using the effective interest method		546	16,874
Expenses			
Cost of sales		(3,174,362)	(2,243,449)
Marketing		(139,317)	(273,061)
Occupancy		(815,365)	(859,618)
Administration		(2,369,091)	(3,257,456)
Other expenses		(120,750)	(202,135)
Finance costs		(199,378)	(179,907)
Loss before income tax expense		(3,160,324)	(4,436,359)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Broo Limited		(3,160,324)	(4,436,359)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Broo Limited		<u>(3,160,324)</u>	<u>(4,436,359)</u>
		Cents	Cents
Basic loss per share		(0.51)	(0.73)
Diluted loss per share		(0.51)	(0.73)

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

Broo Limited
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	2	427,215	638,834
Trade and other receivables	3	307,499	164,185
Inventories	4	345,851	1,097,402
Other	5	89,153	87,645
Total current assets		<u>1,169,718</u>	<u>1,988,066</u>
Non-current assets			
Property, plant and equipment	6	4,873,916	5,037,196
Intangibles	7	214,880	211,503
Other	8	22,000	22,000
Total non-current assets		<u>5,110,796</u>	<u>5,270,699</u>
Total assets		<u>6,280,514</u>	<u>7,258,765</u>
Liabilities			
Current liabilities			
Trade and other payables	9	2,144,444	1,356,076
Borrowings	10	1,599,886	1,602,857
Employee benefits	11	87,740	118,243
Other financial liabilities	12	400,000	600,000
Total current liabilities		<u>4,232,070</u>	<u>3,677,176</u>
Non-current liabilities			
Borrowings	13	1,112,510	1,414,254
Employee benefits	14	72,812	28,625
Total non-current liabilities		<u>1,185,322</u>	<u>1,442,879</u>
Total liabilities		<u>5,417,392</u>	<u>5,120,055</u>
Net assets		<u>863,122</u>	<u>2,138,710</u>
Equity			
Issued capital	15	17,960,593	16,075,857
Reserves		6,034	6,034
Accumulated losses		<u>(17,103,505)</u>	<u>(13,943,181)</u>
Total equity		<u>863,122</u>	<u>2,138,710</u>

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

Broo Limited
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Reserves	Contributed equity	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2017	6,034	16,075,857	(9,506,822)	6,575,069
Loss after income tax expense for the year	-	-	(4,436,359)	(4,436,359)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(4,436,359)	(4,436,359)
Balance at 30 June 2018	<u>6,034</u>	<u>16,075,857</u>	<u>(13,943,181)</u>	<u>2,138,710</u>

Consolidated	Reserves	Contributed equity	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2018	6,034	16,075,857	(13,943,181)	2,138,710
Loss after income tax expense for the year	-	-	(3,160,324)	(3,160,324)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,160,324)	(3,160,324)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	-	1,884,736	-	1,884,736
Balance at 30 June 2019	<u>6,034</u>	<u>17,960,593</u>	<u>(17,103,505)</u>	<u>863,122</u>

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

Broo Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,970,696	3,113,468
Payments to suppliers and employees (inclusive of GST)		<u>(5,250,963)</u>	<u>(5,879,697)</u>
		(1,280,267)	(2,766,229)
Interest received		546	16,874
Interest and other finance costs paid		<u>(226,664)</u>	<u>(200,629)</u>
Net cash used in operating activities		<u>(1,506,385)</u>	<u>(2,949,984)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(81,878)	(56,013)
Payments for intangibles		<u>(3,377)</u>	<u>(3,578)</u>
Net cash used in investing activities		<u>(85,255)</u>	<u>(59,591)</u>
Cash flows from financing activities			
Proceeds from issue of shares		1,400,000	-
Proceeds received in advance of the issue of shares		400,000	600,000
Proceeds from borrowings		-	2,342,000
Proceeds from repayment of loan to related party		-	250,000
Share issue transaction costs		(115,264)	-
Repayment of borrowings		<u>(304,715)</u>	<u>(237,542)</u>
Net cash from financing activities		<u>1,380,021</u>	<u>2,954,458</u>
Net decrease in cash and cash equivalents		(211,619)	(55,117)
Cash and cash equivalents at the beginning of the financial year		<u>638,834</u>	<u>693,951</u>
Cash and cash equivalents at the end of the financial year	2	<u><u>427,215</u></u>	<u><u>638,834</u></u>

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

Broo Limited
Notes to the financial statements
30 June 2019

Note 1. Revenue

	Consolidated	Consolidated
	2019	2018
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales	<u>3,657,381</u>	<u>2,560,112</u>
<i>Other revenue</i>		
Other revenue	<u>12</u>	<u>2,281</u>
Revenue	<u><u>3,657,393</u></u>	<u><u>2,562,393</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	Consolidated
	2019	2018
	\$	\$
<i>Major product lines</i>		
Brewing	1,379,720	951,288
Hospitality	<u>2,277,661</u>	<u>1,608,824</u>
	<u><u>3,657,381</u></u>	<u><u>2,560,112</u></u>
<i>Geographical regions</i>		
Australia	<u><u>3,657,381</u></u>	<u><u>2,560,112</u></u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u><u>3,657,381</u></u>	<u><u>2,560,112</u></u>

Note 2. Current assets - cash and cash equivalents

	Consolidated	Consolidated
	2019	2018
	\$	\$
Cash on hand	23,777	24,309
Cash at bank	<u>403,438</u>	<u>614,525</u>
	<u><u>427,215</u></u>	<u><u>638,834</u></u>

Broo Limited
Notes to the financial statements
30 June 2019

Note 3. Current assets - trade and other receivables

	Consolidated	
	2019	2018
	\$	\$
Trade receivables	255,417	100,701
Less: Allowance for expected credit losses	(50,000)	(22,349)
	<u>205,417</u>	<u>78,352</u>
Other receivables	18,431	2,283
BAS receivable	83,651	83,550
	<u>307,499</u>	<u>164,185</u>

Note 4. Current assets - inventories

	Consolidated	
	2019	2018
	\$	\$
Stock on hand - at net realisable value	<u>345,851</u>	<u>1,097,402</u>

Note 5. Current assets - other

	Consolidated	
	2019	2018
	\$	\$
Prepayments	<u>89,153</u>	<u>87,645</u>

Note 6. Non-current assets - property, plant and equipment

	Consolidated	
	2019	2018
	\$	\$
Land - at cost	2,123,404	2,123,404
Leasehold improvements - at cost	266,572	231,625
Less: Accumulated depreciation	(35,079)	(9,569)
	<u>231,493</u>	<u>222,056</u>
Plant and equipment - at cost	2,846,847	2,799,916
Less: Accumulated depreciation	(400,525)	(205,110)
	<u>2,446,322</u>	<u>2,594,806</u>
Motor vehicles - at cost	54,706	54,706
Less: Accumulated depreciation	(47,005)	(44,437)
	<u>7,701</u>	<u>10,269</u>
Motor vehicles under lease	180,012	180,012
Less: Accumulated depreciation	(115,016)	(93,351)
	<u>64,996</u>	<u>86,661</u>
	<u>4,873,916</u>	<u>5,037,196</u>

Broo Limited
Notes to the financial statements
30 June 2019

Note 6. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land	Motor vehicles	Plant and Equipment	Leasehold improvements	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2017	2,123,404	129,240	1,492,211	49,888	3,794,743
Additions	-	-	604,858	181,417	786,275
Transfers from deposits	-	-	659,157	-	659,157
Depreciation expense	-	(32,310)	(161,420)	(9,249)	(202,979)
Balance at 30 June 2018	2,123,404	96,930	2,594,806	222,056	5,037,196
Additions	-	-	46,931	34,947	81,878
Depreciation expense	-	(24,233)	(195,415)	(25,510)	(245,158)
Balance at 30 June 2019	<u>2,123,404</u>	<u>72,697</u>	<u>2,446,322</u>	<u>231,493</u>	<u>4,873,916</u>

Note 7. Non-current assets - intangibles

	Consolidated	
	2019	2018
	\$	\$
Patents and trademarks - at cost	<u>214,880</u>	<u>211,503</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Patents and trademarks	Total
Consolidated	\$	\$
Balance at 1 July 2017	207,925	207,925
Additions	3,578	3,578
Balance at 30 June 2018	211,503	211,503
Additions	3,377	3,377
Balance at 30 June 2019	<u>214,880</u>	<u>214,880</u>

Note 8. Non-current assets - other

	Consolidated	
	2019	2018
	\$	\$
Security deposits	<u>22,000</u>	<u>22,000</u>

Broo Limited
Notes to the financial statements
30 June 2019

Note 9. Current liabilities - trade and other payables

	Consolidated	
	2019	2018
	\$	\$
Trade payables	723,043	590,236
BAS payable	90,877	-
Other payables	1,330,524	765,840
	<u>2,144,444</u>	<u>1,356,076</u>

Note 10. Current liabilities - borrowings

	Consolidated	
	2019	2018
	\$	\$
Bank loans	292,375	278,097
Loan facility	1,228,000	1,228,000
Hire purchase	79,511	96,760
	<u>1,599,886</u>	<u>1,602,857</u>

Note 11. Current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$	\$
Employee benefits	87,740	118,243
	<u>87,740</u>	<u>118,243</u>

Note 12. Current liabilities - other financial liabilities

	Consolidated	
	2019	2018
	\$	\$
Amounts received in advance of the issue of shares	400,000	600,000
	<u>400,000</u>	<u>600,000</u>

The shares in relation to this amount were issued on 1 July 2019.

Note 13. Non-current liabilities - borrowings

	Consolidated	
	2019	2018
	\$	\$
Bank loans	75,325	367,699
Loans - others	1,000,000	1,000,000
Hire purchase	37,185	46,555
	<u>1,112,510</u>	<u>1,414,254</u>

Broo Limited
Notes to the financial statements
30 June 2019

Note 14. Non-current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$	\$
Employee benefits	<u>72,812</u>	<u>28,625</u>

Note 15. Equity - issued capital

	2019	Consolidated		2018
	Shares	2018	2019	2018
		Shares	\$	\$
Ordinary shares - fully paid	<u>618,249,911</u>	<u>608,249,911</u>	<u>17,960,593</u>	<u>16,075,857</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2017	<u>608,249,911</u>		<u>16,075,857</u>
Balance	30 June 2018	608,249,911		16,075,857
Issue of share	10 September 028	10,000,000	\$0.20	2,000,000
Cost of capital raising		<u>-</u>	\$0.00	<u>(115,264)</u>
Balance	30 June 2019	<u><u>618,249,911</u></u>		<u><u>17,960,593</u></u>