

**Broo Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Broo Limited  
ACN: 060 793 099  
Reporting period: For the half-year ended 31 December 2018  
Previous period: For the half-year ended 31 December 2017

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	28.1% to	1,667,922
Loss from ordinary activities after tax attributable to the owners of Broo Limited	down	16.0% to	(1,853,106)
Loss for the half-year attributable to the owners of Broo Limited	down	16.0% to	(1,853,106)

*Dividends*

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

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$1,853,106 (31 December 2017: \$2,204,818).

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**3. Net tangible assets**

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

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**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.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

Not applicable.

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**10. Audit qualification or review**

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Broo Limited for the half-year ended 31 December 2018 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Kent Grogan  
Executive Chairman

Date: 28 February 2019

**Broo Limited**

**ACN 060 793 099**

**Interim Report - 31 December 2018**

**Broo Limited**  
**Directors' report**  
**31 December 2018**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Broo Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

**Directors**

The following persons were directors of Broo Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Kent Grogan  
Mathew Boyes  
Matthew Newberry

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- production packaged and draught beer in both Australia and China; and
- management of hospitality venues.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,853,106 (31 December 2017: \$2,204,818).

**Significant changes in the state of affairs**

On 10 September 2018, the company issued 10,000,000 fully paid ordinary shares raising \$2,000,000 before costs.

On 14 October 2018, 470,252,070 fully paid ordinary shares were released from escrow.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Broo Limited**  
**Directors' report**  
**31 December 2018**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Kent Grogan  
Executive Chairman

28 February 2019



Suite 2, Level 11  
350 Collins Street,  
Melbourne  
VIC 3000  
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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Broo Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Broo Limited and controlled entities.

George Georgiou FCA  
Registered Company Auditor  
ASIC Registration: 10310  
Melbourne, Victoria  
Date 28 February 2019

STATUTORY AUDITS | DUE DILIGENCE | TRUST ACCOUNT AUDITS | OUTGOING AUDITS |  
INTERNAL AUDITS | AFSL AUDITS | GRANT AUDITS

**Broo Limited**  
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**31 December 2018**

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**General information**

The financial statements cover Broo Limited as a consolidated entity consisting of Broo Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Broo Limited's functional and presentation currency.

Broo Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

3/506 Nepean Highway  
FRANKSTON VIC 3199

**Principal place of business**

20 Langtree Avenue  
Mildura VIC 3500

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2019.

**Broo Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2018**

	Note	Consolidated Dec 2018 \$	Consolidated Dec 2017 \$
<b>Revenue</b>	3	1,667,381	1,288,565
Interest revenue calculated using the effective interest method		541	13,928
<b>Expenses</b>			
Cost of sales		(1,586,251)	(1,053,513)
Marketing		(43,968)	(270,589)
Occupancy		(425,222)	(393,972)
Administration		(1,326,872)	(1,648,630)
Finance costs		(138,715)	(140,607)
<b>Loss before income tax expense</b>		(1,853,106)	(2,204,818)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Broo Limited</b>		(1,853,106)	(2,204,818)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Broo Limited</b>		<u>(1,853,106)</u>	<u>(2,204,818)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	10	(0.30)	(0.36)
Diluted earnings per share	10	(0.30)	(0.36)

*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 31 December 2018**

	Note	Consolidated Dec 2018 \$	Consolidated Jun 2018 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		306,923	638,834
Trade and other receivables		377,837	164,185
Inventories		861,500	1,097,402
Other		235,215	87,645
<b>Total current assets</b>		<u>1,781,475</u>	<u>1,988,066</u>
<b>Non-current assets</b>			
Property, plant and equipment		4,984,625	5,037,196
Intangibles		213,252	211,503
Other		22,000	22,000
<b>Total non-current assets</b>		<u>5,219,877</u>	<u>5,270,699</u>
<b>Total assets</b>		<u>7,001,352</u>	<u>7,258,765</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4	1,825,959	1,356,076
Borrowings		1,540,996	1,602,857
Employee benefits		104,538	118,243
Other financial liabilities		-	600,000
<b>Total current liabilities</b>		<u>3,471,493</u>	<u>3,677,176</u>
<b>Non-current liabilities</b>			
Borrowings		1,325,826	1,414,254
Employee benefits		33,691	28,625
<b>Total non-current liabilities</b>		<u>1,359,517</u>	<u>1,442,879</u>
<b>Total liabilities</b>		<u>4,831,010</u>	<u>5,120,055</u>
<b>Net assets</b>		<u>2,170,342</u>	<u>2,138,710</u>
<b>Equity</b>			
Issued capital	5	17,960,595	16,075,857
Reserves		6,034	6,034
Accumulated losses		<u>(15,796,287)</u>	<u>(13,943,181)</u>
<b>Total equity</b>		<u>2,170,342</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 half-year ended 31 December 2018**

<b>Consolidated</b>	<b>Reserves</b>	<b>Contributed equity</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2017	6,034	16,075,857	(9,506,822)	6,575,069
Loss after income tax expense for the half-year	-	-	(2,204,818)	(2,204,818)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,204,818)	(2,204,818)
Balance at 31 December 2017	<u>6,034</u>	<u>16,075,857</u>	<u>(11,711,640)</u>	<u>4,370,251</u>

<b>Consolidated</b>	<b>Reserves</b>	<b>Contributed equity</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2018	6,034	16,075,857	(13,943,181)	2,138,710
Loss after income tax expense for the half-year	-	-	(1,853,106)	(1,853,106)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,853,106)	(1,853,106)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 5)	-	1,884,738	-	1,884,738
Balance at 31 December 2018	<u>6,034</u>	<u>17,960,595</u>	<u>(15,796,287)</u>	<u>2,170,342</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 half-year ended 31 December 2018**

	<b>Consolidated</b>	
	<b>Dec 2018</b>	<b>Dec 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	1,620,467	1,529,681
Payments to suppliers and employees (inclusive of GST)	(2,770,614)	(2,991,822)
Interest received	541	13,928
Interest and other finance costs paid	(248,370)	(257,486)
Net cash used in operating activities	<u>(1,397,976)</u>	<u>(1,705,699)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(66,635)	(668,088)
Payments for intangibles	(1,749)	(1,032)
Net cash used in investing activities	<u>(68,384)</u>	<u>(669,120)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	1,400,000	-
Proceeds from borrowings	-	2,067,000
Share issue transaction costs	(115,262)	-
Repayment of borrowings	(150,289)	(71,393)
Net cash from financing activities	<u>1,134,449</u>	<u>1,995,607</u>
Net decrease in cash and cash equivalents	(331,911)	(379,212)
Cash and cash equivalents at the beginning of the financial half-year	<u>638,834</u>	<u>693,951</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>306,923</u></u>	<u><u>314,739</u></u>

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

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **Going concern**

The consolidated entity has incurred a net loss of \$1,853,106 for the period ended 31 December 2018 (31 December 2017: \$2,204,818) and had cash outflows from operating activities of \$1,397,976 (31 December 2017: \$1,705,699). These conditions indicate a significant or material uncertainty about the consolidated entity's ability to continue as a going concern.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- The board is exploring realisation strategies for the Ballarat land, including via a potential JV or sale;
- The board is exploring realisation strategies for the consolidated entity's other non-current assets via potential sales;
- The company has a proven ability to raise capital via both debt and equity and can access further funding if required over the next 12 months to pay debts and when they fall due; and
- The consolidated entity's administration costs have been reduced from \$1,648,630 in the December 2017 financial half-year to \$1,326,872 in current financial half-year. The board are currently reviewing the consolidated entity's operations and have identified significant further costs savings.

For the above reasons the board considers that the consolidated entity remains a going concern and the financial report has been prepared on this basis. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the consolidated entity not continue as a going concern.

## **Note 2. Operating segments**

### *Identification of reportable operating segments*

The consolidated entity is organised into four reportable operating segments, hospitality, Australian brewing, Chinese brewing and Corporate

### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

Hospitality	Management of pub and boutique brewing venues.
Australian brewing	Production and sale of packaged and draught beer in Australia
Chinese brewing	Production and sale of packaged beer in China
Corporate	Provision of corporate support function to other business units

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2018**

**Note 2. Operating segments (continued)**

*Operating segment information*

	Hospitality	Australian brewing	Chinese brewing	Corporate	Total
	\$	\$	\$	\$	\$
<b>Consolidated - Dec 2018</b>					
<b>Revenue</b>					
Sales to external customers	1,091,786	569,973	-	-	1,661,759
Other revenue	5,377	246	-	540	6,163
<b>Total revenue</b>	<b>1,097,163</b>	<b>570,219</b>	<b>-</b>	<b>540</b>	<b>1,667,922</b>
<b>EBITDA</b>					
Depreciation and amortisation	(184,971)	(617,512)	(2,192)	(790,510)	(1,595,185)
Finance costs					(119,206)
<b>Loss before income tax expense</b>					<b>(138,715)</b>
Income tax expense					(1,853,106)
<b>Loss after income tax expense</b>					<b>(1,853,106)</b>
<b>Assets</b>					
Segment assets	909,714	5,621,321	22,967	447,350	7,001,352
<b>Total assets</b>					<b>7,001,352</b>
<b>Liabilities</b>					
Segment liabilities	591,797	2,057,828	-	2,181,385	4,831,010
<b>Total liabilities</b>					<b>4,831,010</b>
<b>Consolidated - Dec 2017</b>					
<b>Revenue</b>					
Sales to external customers	688,902	575,161	-	-	1,264,063
Other revenue	18,803	5,699	-	13,928	38,430
<b>Total revenue</b>	<b>707,705</b>	<b>580,860</b>	<b>-</b>	<b>13,928</b>	<b>1,302,493</b>
<b>EBITDA</b>					
Depreciation and amortisation	(273,036)	(505,323)	(226,979)	(955,913)	(1,961,251)
Finance costs					(102,960)
<b>Loss before income tax expense</b>					<b>(140,607)</b>
Income tax expense					(2,204,818)
<b>Loss after income tax expense</b>					<b>(2,204,818)</b>
<b>Consolidated - Jun 2018</b>					
<b>Assets</b>					
Segment assets	717,657	5,585,103	24,559	931,446	7,258,765
<b>Total assets</b>					<b>7,258,765</b>
<b>Liabilities</b>					
Segment liabilities	382,443	2,197,999	-	2,539,613	5,120,055
<b>Total liabilities</b>					<b>5,120,055</b>

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2018**

**Note 3. Revenue**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Dec 2018</b>	<b>Dec 2017</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Sales of goods	1,661,758	1,264,063
<i>Other revenue</i>		
Other revenue	5,623	24,502
Revenue	<u>1,667,381</u>	<u>1,288,565</u>

*Disaggregation of revenue*

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

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Dec 2018</b>	<b>Dec 2017</b>
	<b>\$</b>	<b>\$</b>
<i>Major product lines</i>		
Brewery sales	569,972	575,161
Hospitality sales	1,091,786	688,902
	<u>1,661,758</u>	<u>1,264,063</u>
<i>Geographical regions</i>		
Australia	<u>1,661,758</u>	<u>1,264,063</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>1,661,758</u>	<u>1,264,063</u>

**Note 4. Current liabilities - trade and other payables**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Dec 2018</b>	<b>Jun 2018</b>
	<b>\$</b>	<b>\$</b>
Trade payables	825,492	590,236
BAS payable	39,063	-
Other payables	961,404	765,840
	<u>1,825,959</u>	<u>1,356,076</u>

**Note 5. Equity - issued capital**

	<b>Dec 2018</b>	<b>Jun 2018</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Shares</b>	<b>Shares</b>	<b>Dec 2018</b>	<b>Jun 2018</b>
			<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>618,249,911</u>	<u>608,249,911</u>	<u>17,960,595</u>	<u>16,075,857</u>

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2018**

**Note 5. Equity - issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2018	608,249,911		16,075,857
Issue of shares	10 September 2018	10,000,000	\$0.20	2,000,000
Cost of capital raising		-	\$0.00	(115,262)
Balance	31 December 2018	<u>618,249,911</u>		<u>17,960,595</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Note 6. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 7. Contingent liabilities**

The company had no contingent liabilities at 31 December 2018 and 30 June 2018.

**Note 8. Related party transactions**

*Parent entity*

Broo Limited is the parent entity.

*Transactions with related parties*

The following transactions occurred with related parties:

	Consolidated	
	Dec 2018	Dec 2017
	\$	\$
Other income:		
Interest received on loan to director related entity (charged at 10% per annum).	-	13,125
Payment for goods and services:		
Professional fees paid to director related entities	-	23,696
Rental expense from director related entity *	-	200,000

\* As disclosed in the 2017 year's annual report, the first twelve months rent was paid in advance at Mildura Brewery and Pub site, rather than requiring a bond payment. The expense disclosed above is for the recognition of this prepayment. There have been no payments made in relation to the Mildura rent during the current period.

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2018**

**Note 8. Related party transactions (continued)**

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>Dec 2018</b>	<b>Jun 2018</b>
	\$	\$
Current payables:		
Accrued directors' fee and wages	129,937	177,782

*Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

	<b>Consolidated</b>	
	<b>Dec 2018</b>	<b>Jun 2018</b>
	\$	\$
Non-current borrowings:		
Loan from key management personnel (interest is not payable on the loans and they have no fixed term of repayment)	1,000,000	1,000,000

*Terms and conditions*

Unless stated otherwise, all transactions were made on normal commercial terms and conditions and at market rates.

**Note 9. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 10. Earnings per share**

	<b>Consolidated</b>	
	<b>Dec 2018</b>	<b>Dec 2017</b>
	\$	\$
Loss after income tax attributable to the owners of Broo Limited	<u>(1,853,106)</u>	<u>(2,204,818)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>614,336,867</u>	<u>608,249,911</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>614,336,867</u>	<u>608,249,911</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.30)	(0.36)
Diluted earnings per share	(0.30)	(0.36)

**Broo Limited**  
**Directors' declaration**  
**31 December 2018**

In the directors' opinion:

- the attached financial statements comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001, other mandatory professional reporting requirements, and the accounting policies as described in Note 1;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



---

Kent Grogan  
Executive Chairman

28 February 2019

## Independent Auditor's Review Report

### To the members of Broo Limited

### Report on the Condensed Half-year Financial Report

#### *Conclusion*

We have reviewed the accompanying Half-year Financial Report of Broo Limited and its controlled entities (the "Group").

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

- Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Condensed consolidated statement of financial position as at 31 December 2018;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The Group comprises Broo Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half year.

#### *Material Uncertainty Related to Going Concern*

Without qualifying our opinion, we draw attention to matters set forth in Note 1 which indicates the existence of a material uncertainty that may cast doubt over the group's ability to continue as a going concern. If the group is unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

*Responsibilities of the Directors for the Half-year Financial Report*

The Directors of the Company are responsible for:

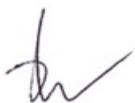
- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

*Auditor's responsibility for the review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Broo Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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



**George Georgiou FCA**  
Registered Company Auditor  
ASIC Registration: 10310  
Melbourne, Victoria  
Date 28 February 2019