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# **BROO LIMITED**

## **APPENDIX 4E**

**Preliminary Final Report**



BROO Limited ACN 060 793 099

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**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 2021  
Previous period: For the year ended 30 June 2020

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

			\$
Revenues from ordinary activities	down	17.6% to	2,036,877
Loss from ordinary activities after tax attributable to the owners of Broo Limited	down	46.2% to	(1,873,405)
Loss for the year attributable to the owners of Broo Limited	down	46.2% to	(1,873,405)

*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 \$1,873,405 (30 June 2020: \$3,482,245).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.05</u>	<u>(0.23)</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 have not been audited.

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**11. Attachments**

*Details of attachments (if any):*

The Preliminary Report of Broo Limited for the year ended 30 June 2021 is attached.

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**12. Signed**

Signed  \_\_\_\_\_  
Kent Grogan

Date: 31 August 2021

**Broo Limited**

**ACN 060 793 099**

**Preliminary Report - 30 June 2021**

**Broo Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Revenue</b>	1	1,982,006	2,135,477
Other income	2	336,292	57,004
<b>Expenses</b>			
Cost of sales		(1,696,102)	(2,328,755)
Marketing		(121,521)	(23,666)
Occupancy		(105,776)	(154,320)
Administration		(1,876,814)	(1,992,021)
Impairment of assets		-	(323,055)
Other expenses		(6,764)	(19,350)
Finance costs		(434,154)	(485,147)
<b>Loss before income tax expense from continuing operations</b>		(1,922,833)	(3,133,833)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(1,922,833)	(3,133,833)
Profit/(loss) after income tax expense from discontinued operations		49,428	(348,412)
<b>Loss after income tax expense for the year attributable to the owners of Broo Limited</b>		(1,873,405)	(3,482,245)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Broo Limited</b>		<u>(1,873,405)</u>	<u>(3,482,245)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(1,873,405)	(3,482,245)
Discontinued operations		-	-
		<u>(1,873,405)</u>	<u>(3,482,245)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss from continuing operations attributable to the owners of Broo Limited</b>			
Basic loss per share		(0.22)	(0.47)
Diluted loss per share		(0.22)	(0.47)
<b>Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Broo Limited</b>			
Basic earnings per share		0.01	(0.05)
Diluted earnings per share		0.01	(0.05)
<b>Earnings per share for loss attributable to the owners of Broo Limited</b>			
Basic loss per share		(0.21)	(0.52)
Diluted loss per share		(0.21)	(0.52)

*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 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	115,241	62,675
Trade and other receivables	4	349,829	189,760
Inventories	5	1,756,223	77,332
Other	6	83,251	173,974
		<u>2,304,544</u>	<u>503,741</u>
Assets of disposal groups classified as held for sale	7	2,123,404	60,000
<b>Total current assets</b>		<u>4,427,948</u>	<u>563,741</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	1,821,391	4,081,482
Right-of-use assets	9	2,363,751	2,745,024
Intangibles	10	219,580	216,380
Other		-	22,000
<b>Total non-current assets</b>		<u>4,404,722</u>	<u>7,064,886</u>
<b>Total assets</b>		<u>8,832,670</u>	<u>7,628,627</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	2,886,709	2,628,129
Borrowings	12	784,299	2,208,094
Lease liabilities	13	339,800	320,276
Employee benefits		158,062	146,645
		<u>4,168,870</u>	<u>5,303,144</u>
Liabilities directly associated with assets classified as held for sale	14	1,916,565	-
<b>Total current liabilities</b>		<u>6,085,435</u>	<u>5,303,144</u>
<b>Non-current liabilities</b>			
Borrowings	15	-	1,314,443
Lease liabilities	16	2,082,569	2,422,358
Employee benefits		5,698	4,938
<b>Total non-current liabilities</b>		<u>2,088,267</u>	<u>3,741,739</u>
<b>Total liabilities</b>		<u>8,173,702</u>	<u>9,044,883</u>
<b>Net assets/(liabilities)</b>		<u>658,968</u>	<u>(1,416,256)</u>
<b>Equity</b>			
Issued capital	17	22,846,937	18,898,308
Reserves	18	293,851	293,851
Accumulated losses		<u>(22,481,820)</u>	<u>(20,608,415)</u>
<b>Total equity/(deficiency)</b>		<u>658,968</u>	<u>(1,416,256)</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 2021**

<b>Consolidated</b>	<b>Reserves</b>	<b>Contributed</b>	<b>Accumulated</b>	<b>Total</b>
	<b>\$</b>	<b>equity</b>	<b>losses</b>	<b>deficiency in</b>
		<b>\$</b>	<b>\$</b>	<b>equity</b>
				<b>\$</b>
Balance at 1 July 2019	6,034	17,960,593	(17,126,170)	840,457
Loss after income tax expense for the year	-	-	(3,482,245)	(3,482,245)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,482,245)	(3,482,245)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 17)	-	937,715	-	937,715
Share-based payments	287,817	-	-	287,817
Balance at 30 June 2020	<u>293,851</u>	<u>18,898,308</u>	<u>(20,608,415)</u>	<u>(1,416,256)</u>
	<b>Reserves</b>	<b>Contributed</b>	<b>Accumulated</b>	<b>Total equity</b>
	<b>\$</b>	<b>equity</b>	<b>losses</b>	<b>\$</b>
		<b>\$</b>	<b>\$</b>	
				<b>\$</b>
Balance at 1 July 2020	293,851	18,898,308	(20,608,415)	(1,416,256)
Loss after income tax expense for the year	-	-	(1,873,405)	(1,873,405)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,873,405)	(1,873,405)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 17)	-	3,948,629	-	3,948,629
Balance at 30 June 2021	<u>293,851</u>	<u>22,846,937</u>	<u>(22,481,820)</u>	<u>658,968</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 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,020,138	2,356,262
Payments to suppliers and employees (inclusive of GST)		(4,702,117)	(3,424,396)
		(2,681,979)	(1,068,134)
Other revenue		-	94,932
Interest and other finance costs paid		(369,987)	(553,909)
Covid relief		281,603	-
Net cash used in operating activities		(2,770,363)	(1,527,111)
<b>Cash flows from investing activities</b>			
Payments for intangibles		(3,200)	(1,500)
Proceeds from disposal of business		60,000	-
Proceeds from disposal of property, plant and equipment		45,454	-
Net cash from/(used in) investing activities		102,254	(1,500)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		2,985,985	700,000
Proceeds from borrowings		758,906	2,193,699
Share issue transaction costs		(293,741)	(44,118)
Repayment of borrowings		(459,056)	(1,383,558)
Repayment of lease liabilities		(271,419)	(301,551)
Net cash from financing activities		2,720,675	1,164,472
Net increase/(decrease) in cash and cash equivalents		52,566	(364,139)
Cash and cash equivalents at the beginning of the financial year		62,675	426,814
Cash and cash equivalents at the end of the financial year	3	<u>115,241</u>	<u>62,675</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 2021**

**Note 1. Revenue**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Sales	1,981,948	2,113,727
<i>Other revenue</i>		
Other revenue	58	21,750
Revenue	<u>1,982,006</u>	<u>2,135,477</u>

*Disaggregation of revenue*

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

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Major product lines</i>		
Brewing	1,395,831	1,345,589
Hospitality	586,117	768,138
	<u>1,981,948</u>	<u>2,113,727</u>
<i>Geographical regions</i>		
Australia	<u>1,981,948</u>	<u>2,113,727</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>1,981,948</u>	<u>2,113,727</u>

**Note 2. Other income**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Net gain on disposal of property, plant and equipment	20,531	-
COVID relief	315,761	57,004
Other income	<u>336,292</u>	<u>57,004</u>

**Note 3. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	4,833	866
Cash at bank	110,408	61,809
	<u>115,241</u>	<u>62,675</u>

**Broo Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 4. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	148,000	146,196
Less: Allowance for expected credit losses	<u>(22,325)</u>	<u>(125,776)</u>
	<u>125,675</u>	<u>20,420</u>
Other receivables	3,324	4,014
BAS receivable	<u>220,830</u>	<u>165,326</u>
	<u><u>349,829</u></u>	<u><u>189,760</u></u>

**Note 5. Current assets - inventories**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Stock on hand - at net realisable value	<u>1,756,223</u>	<u>77,332</u>

**Note 6. Current assets - other**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>83,251</u>	<u>173,974</u>

**Note 7. Current assets - assets of disposal groups classified as held for sale**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Property, plant and equipment	<u>2,123,404</u>	<u>60,000</u>

On 11 June 2021, the company announced that it had entered into an agreement to sell its Ballarat property for \$7.5million. The sale is conditional upon approval from Development Victoria.

**Broo Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 8. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Land - at cost	-	2,123,404
Leasehold improvements - at cost	52,375	52,375
Less: Accumulated depreciation	(15,627)	(15,627)
Less: Impairment	(36,748)	(36,748)
	<u>-</u>	<u>-</u>
Plant and equipment - at cost	2,717,350	2,815,020
Less: Accumulated depreciation	(687,090)	(580,501)
Less: Impairment	(211,259)	(282,217)
	<u>1,819,001</u>	<u>1,952,302</u>
Motor vehicles - at cost	15,956	54,706
Less: Accumulated depreciation	(13,566)	(48,930)
	<u>2,390</u>	<u>5,776</u>
	<u><u>1,821,391</u></u>	<u><u>4,081,482</u></u>

*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
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2019	2,123,404	72,697	2,446,322	231,493	4,873,916
Classified as held for sale	-	-	-	(60,000)	(60,000)
Transfers to right-of-use	-	(64,996)	-	-	(64,996)
Impairment of assets *	-	-	(282,217)	(149,051)	(431,268)
Depreciation expense	-	(1,925)	(211,803)	(22,442)	(236,170)
	<u>2,123,404</u>	<u>5,776</u>	<u>1,952,302</u>	<u>-</u>	<u>4,081,482</u>
Balance at 30 June 2020	(2,123,404)	-	-	-	(2,123,404)
Disposals	-	(2,587)	-	-	(2,587)
Depreciation expense	-	(799)	-	(133,301)	(134,100)
	<u>-</u>	<u>2,390</u>	<u>1,952,302</u>	<u>(133,301)</u>	<u>1,821,391</u>
Balance at 30 June 2021	<u><u>-</u></u>	<u><u>2,390</u></u>	<u><u>1,952,302</u></u>	<u><u>(133,301)</u></u>	<u><u>1,821,391</u></u>

**Broo Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 9. Non-current assets - right-of-use assets**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Land and buildings - right-of-use	3,044,184	3,044,184
Less: Accumulated depreciation	<u>(696,354)</u>	<u>(347,907)</u>
	<u>2,347,830</u>	<u>2,696,277</u>
Motor vehicles - right-of-use	77,256	180,012
Less: Accumulated depreciation	<u>(61,335)</u>	<u>(131,265)</u>
	<u>15,921</u>	<u>48,747</u>
	<u><u>2,363,751</u></u>	<u><u>2,745,024</u></u>

*Reconciliations*

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

<b>Consolidated</b>	Motor vehicles \$	Land and buildings \$	Total \$
Balance at 1 July 2019	-	-	-
Recognised on adoption of AASB 16	-	3,044,184	3,044,184
Transfer from P,P&E adoption of AASB 16	64,996	-	64,996
Depreciation expense	<u>(16,249)</u>	<u>(347,907)</u>	<u>(364,156)</u>
Balance at 30 June 2020	48,747	2,696,277	2,745,024
Disposals	<u>(22,336)</u>	<u>-</u>	<u>(22,336)</u>
Depreciation expense	<u>(10,490)</u>	<u>(348,447)</u>	<u>(358,937)</u>
Balance at 30 June 2021	<u><u>15,921</u></u>	<u><u>2,347,830</u></u>	<u><u>2,363,751</u></u>

**Note 10. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Patents and trademarks - at cost	<u>219,580</u>	<u>216,380</u>

*Reconciliations*

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

<b>Consolidated</b>	Patents and trademarks \$	Total \$
Balance at 1 July 2019	214,880	214,880
Additions	<u>1,500</u>	<u>1,500</u>
Balance at 30 June 2020	216,380	216,380
Additions	<u>3,200</u>	<u>3,200</u>
Balance at 30 June 2021	<u><u>219,580</u></u>	<u><u>219,580</u></u>

**Broo Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 11. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables	505,570	888,653
BAS payable	203,711	208,390
Other payables	2,177,428	1,531,086
	<u>2,886,709</u>	<u>2,628,129</u>

**Note 12. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Bank loans	-	170,298
Loan facility	758,907	1,950,000
Hire purchase	25,392	87,796
	<u>784,299</u>	<u>2,208,094</u>

**Note 13. Current liabilities - lease liabilities**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Lease liability	339,800	320,276
	<u>339,800</u>	<u>320,276</u>

**Note 14. Current liabilities - liabilities directly associated with assets classified as held for sale**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loan facility	1,916,565	-
	<u>1,916,565</u>	<u>-</u>

On 11 June 2021, the company announced that it had entered into an agreement to sell its Ballarat property for \$7.5million. The sale is conditional upon approval from Development Victoria. The above loan facility will be settled out of the sales proceeds.

**Note 15. Non-current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loans from director	-	1,314,443
	<u>-</u>	<u>1,314,443</u>

**Broo Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 16. Non-current liabilities - lease liabilities**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Lease liability	<u>2,082,569</u>	<u>2,422,358</u>

**Note 17. Equity - issued capital**

	<b>2021</b>	<b>Consolidated</b>		<b>2020</b>
	<b>Shares</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>945,752,965</u>	<u>710,065,743</u>	<u>22,846,937</u>	<u>18,898,308</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2019	618,249,911		17,960,593
Issue of shares	1 July 2019	20,000,000	\$0.020	400,000
Shares issued to settle payables	21 October 2019	2,460,000	\$0.020	49,200
Shares issued to settle payables	19 October 2019	6,022,500	\$0.020	120,450
Issue of shares	8 January 2020	50,000,000	\$0.010	500,000
Issue of shares	30 June 2020	13,333,332	\$0.015	200,000
Cost of capital raising		-	\$0.000	(331,935)
Balance	30 June 2020	710,065,743		18,898,308
Issue of shares	28 August 2020	70,274,770	\$0.018	1,264,946
Issue of shares	28 September 2020	61,954,549	\$0.018	1,115,182
Shares issued to settle loan with director	28 September 2020	60,455,000	\$0.018	1,088,190
Issue of shares	2 October 2020	33,658,740	\$0.018	605,857
Shares issued to settle trade payables	13 November 2020	2,855,275	\$0.018	51,395
Shares issued to non-executive directors in lieu of fees	13 November 2020	6,488,888	\$0.018	116,800
Cost of capital raising		-	\$0.000	(293,741)
Balance	30 June 2021	<u>945,752,965</u>		<u>22,846,937</u>

**Note 18. Equity - reserves**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve	<u>293,851</u>	<u>293,851</u>