

# **BBX HOLDINGS LTD**

ACN 089 221 634

## **APPENDIX 4E**

### **Preliminary final report** **Financial Year Ended 30<sup>th</sup> June, 2007.**

1. This report is in respect of the financial year from 1<sup>st</sup> July, 2006 to 30<sup>th</sup> June, 2007.  
Previous corresponding period 1<sup>st</sup> July, 2005 to 30<sup>th</sup> June, 2006.
2. RESULTS FOR ANNOUNCEMENT TO THE MARKET:
  - 2.1 Revenue from ordinary activities for the period \$10,220,000.  
Percentage change from previous corresponding period 1.53%
  - 2.2 The consolidated result from ordinary activities after income tax attributable to members was a Profit of \$906,000. Prior year Profit was \$1,080,000.
  - 2.3 Net Profit after income tax attributable to members was \$906,000.  
Profit attributable to the prior year was \$1,080,000.
  - 2.4 It is proposed to pay a final dividend of \$0.0 per share subject to regulatory approval.
  - 2.5 Proposed record date will not be applicable.
  - 2.6 Please see Item 14.6.
3. Income Statement for the year is attached.
4. Balance Sheet as at 30<sup>th</sup> June, 2007 is attached.
5. Statement of cash flows is attached.
6. Dividend payment details: The amount of \$0.005 per share amounting to \$385,017 was paid on 30<sup>th</sup> April, 2007.
7. Dividend reinvestment plans: Not applicable at the date of this report.
8. Statement showing movement in retained earnings is attached.
9. Net tangible assets per share as at 30<sup>th</sup> June, 2007 was \$0.0837  
For the previous corresponding period the figure was negative \$0.0662
10. Entities over which control has been gained or lost during the period: N/A.
11. Details of associates & joint venture entities: None

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12. **Other significant information; A subsidiary company has been the subject of an Audit by the Australian Taxation Office of it's Goods & Services Tax liability. Prior to the end of the financial year the matters under negotiation were resolved and \$543,000 of interest in dispute was fully remitted by the ATO. A loss created by the audit adjustments in an operating subsidiary has been fully utilised at 30<sup>th</sup> June, 2007. On a consolidated basis the economic effect of the adjustments was \$nil.**
13. **This item is not applicable.**
14. **Commentary on the results for the period:**
- 14.1 **Earnings per share for the financial year \$0.0117**
- 14.2 **Returns to shareholders including distributions & buybacks was \$0.005 per share.**
- 14.3 **Significant features of operating performance: See below.**
- 14.4 **Segmented results: Not applicable.**

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- 14.5 The status that comes with being a public listed company has helped BBX achieve a much higher profile during 2007 in the business community, not just within our own industry but across many industries in Australia & overseas.

On the International front, numerous enquiries have been and continue to be received from individuals and groups wishing to partner BBX on its journey toward becoming a truly International trading group. There is no doubt our public status helps in making BBX the first choice for these future partners in the reciprocal trade industry.

#### **Highlights for the Past 12 Months**

Some of the more significant highlights are summarised below:

- Trade volume (BBX \$ Currency) exceeded \$150 million for the first time and together with the active New Zealand franchise operation, combined trade volume exceeded \$180 million, up more than 20% on the corresponding period.
- The payment of a fully franked dividend of \$0.005 per share in our first year as a listed company. Shareholders had the option of taking payment in cash, trade dollars or reinvestment in shares.
- Active membership numbers grew by nearly 10% to 4,970.
- BBX China opened new offices in Beijing.
- Master franchise signed to establish BBX Costa Rica, operational by November this year. (BBX holds 20% Equity plus will receive Royalties)

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#### 14.6 Commentary Continued

- New International franchise operations are yet to add to the transaction and member volumes – and consequently revenue - but that will change in 2007/08 with master franchises in China, Costa Rica and India all expected to be operational in quarter 4 of 2007 and contributing to the company's performance. Through its wholly owned international subsidiary, the company maintains a 20% equity interest in each of these franchises and will also generate royalties calculated as a percentage of gross revenue.
- Overseas franchise enquiries have been received from a number of other countries – Japan, Singapore, Malaysia, Indonesia, Iran, Vietnam, Portugal, Mexico and the United States. These contacts are being actively pursued.
- Influencing active membership numbers in Australia in the past year was the acquisition of the membership base of Tradex, a Melbourne based exchange group.
- New franchise operations have been established in Canberra, Toukley, Liverpool, Sydney Central and Sydney South during the year. Existing company offices in Newcastle were converted to a franchise and a new company office established in Hobart.
- Continued development of [www.priced2clear.com](http://www.priced2clear.com), a clearance warehouse facility in Sydney and web based sale and auction site open to BBX members as well as the general public.
- Ongoing sponsorship of the South Sydney 'Rabbitohs' and Central Coast Mariners.
- Second prospectus fundraising for the BBX Property Investment Fund Limited launched. In excess of \$15million of capital has been raised in 14 months.
- Further development of the joint venture to facilitate financial advice to members through BBX Financial Advisors Pty Ltd. and the marketing of BBX Money Pty Ltd. and [www.bbxmoney.com](http://www.bbxmoney.com) to become the central point to access the complete range of BBX Financial Solutions available to members.

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#### 14.6 Commentary Continued

##### **The Year Ahead**

At the local level, our intention is to continue to open new offices, through franchising, in major metropolitan and regional centres to help build the membership. A number of new franchises are currently being negotiated.

As well as continuing to grow the membership base, in all areas of representation, the company is also exploring opportunities to build alliances with providers of a broader range of financial services.

Our focus is still very much on building the core business, both in Australia and by further developing the BBX Global Barter Alliance around the world.

15. This report is based on accounts which are in the process of being audited.

## BBX HOLDINGS LIMITED

AND CONTROLLED ENTITIES

### INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2007

	Economic Entity		Parent Entity	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Revenue from ordinary activities	10,220	10,066	-	-
Other income	194	9	473	8
Cost of sales	(589)	(1,573)	-	-
Employee benefits expense	(2,443)	(2,750)	-	-
Depreciation and amortisation expense	(204)	(272)	-	-
Borrowing costs expenses	(158)	(178)	-	-
Accounting fees	(109)	(41)	-	-
Advertising and sponsorship	(1,025)	(660)	-	-
Auditors remuneration	(125)	(101)	-	-
Bad and doubtful debts	(264)	(482)	-	-
Commission paid	(1,895)	(441)	-	-
Consultancy fees	(394)	(235)	-	-
Debts collection expenses	-	(8)	-	-
Legal and professional fees	(154)	(104)	-	-
Office expenses	(168)	(35)	-	-
Printing and stationery	(217)	(203)	-	-
Provision for annual and long service leave	(7)	(2)	-	-
Rent	(498)	(557)	-	-
Telephone	(161)	(232)	-	-
Travelling and trade promotion expenses	(122)	(339)	-	-
Trade to cash exchange loss	-	(240)	-	-
Other expenses from ordinary activity	(975)	(734)	(89)	(55)
Profit/(Loss) before income tax	906	888	384	(47)
Income tax expense relating to ordinary activities	-	96	-	14
Profit/(loss) for the year	906	984	384	(33)
(Profit)/loss attributable to minority equity interest	-	96	-	-
Profit attributable to members of the parent entity	906	1,080	384	(33)

	Economic Entity		Parent Entity	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Basic earnings per share (cents per share)	1.17	1.56	0.5	-
Diluted earnings per share (cents per share)	1.17	1.56	0.5	-

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**BALANCE SHEET AS AT 30 JUNE 2007**

	Economic Entity		Parent Entity	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	106	22	5	-
Trade and other receivables	3,374	1,985	-	-
Inventories	2,990	3,211	-	-
Financial assets	-	160	-	95
Other current assets	1,303	434	5	-
<b>TOTAL CURRENT ASSETS</b>	<b>7,773</b>	<b>5,812</b>	<b>5</b>	<b>95</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	-	164	-	2
Financial assets	870	530	11,401	9,518
Property, plant and equipment	695	1,098	-	-
Deferred tax assets	648	660	257	258
Intangible assets	4,241	3,839	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,454</b>	<b>6,291</b>	<b>11,658</b>	<b>9,778</b>
<b>TOTAL ASSETS</b>	<b>14,227</b>	<b>12,103</b>	<b>11,663</b>	<b>9,873</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	1,550	1,269	209	254
Short-term borrowings	188	267	-	-
Current tax liabilities	-	254	-	-
Short-term provisions	202	219	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,940</b>	<b>2,009</b>	<b>209</b>	<b>254</b>
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables	256	264	-	57
Long-term borrowings	579	689	-	-
Deferred tax liabilities	-	-	-	-
Long-term provisions	81	56	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>916</b>	<b>1,009</b>	<b>-</b>	<b>57</b>
<b>TOTAL LIABILITIES</b>	<b>2,856</b>	<b>3,018</b>	<b>209</b>	<b>311</b>
<b>NET ASSETS</b>	<b>11,371</b>	<b>9,085</b>	<b>11,454</b>	<b>9,562</b>

	Economic Entity		Parent Entity	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Issued capital	11,530	9,637	11,530	9,637
Reserves	(1)	127	-	-
Accumulated losses	(158)	(741)	(76)	(75)
Parent interest	11,371	9,023	11,454	9,562
Minority equity interest	-	62	-	-
<b>TOTAL EQUITY</b>	<b>11,371</b>	<b>9,085</b>	<b>11,454</b>	<b>9,562</b>

**CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2007**

	Economic Entity		Parent Entity	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	5,626	4,179	-	-
Payments to suppliers and employees	(5,600)	(5,346)	(89)	-
Interest received	5	19	-	-
Sundry income received	-	18	473	-
Borrowing costs	(107)	(178)	-	-
Income tax paid		(63)	-	-
Net cash provided by operating activities	(76)	(1,371)	384	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of property, plant and equipment and intangibles	464	310	-	-
Purchase of property, plant and equipment	(51)	(37)	-	-
Purchase of investments	(300)	(267)	(300)	-
Purchase of intangibles	-	-	-	-
Net cash provided by investing activities	113	6	(300)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of shares	943	2,213	943	-
Proceeds from borrowings	-	150	(693)	-
Dividend Paid	(329)		(329)	
Repayment of borrowings	(488)	(474)	-	-
Net cash provided by financing activities	126	1,889	(79)	
Net increase/(decrease) in cash held	163	524	5	-
Cash at 1 July	(58)	(582)	-	-
Cash at 30 June	105	(58)	5	-