

Brewtopia Limited

ABN: 85 099 912 044

For the Half Year Ended 31 December 2007

SECTION 2A: APPENDIX 3 HALF YEARLY/PRELIMINARY FINAL REPORT

(Comparative figures being the half year ended 31 December 2006)

Name of issuer

BREWTOPIA LIMITED

ACN or ARBN

Half yearly
(tick)

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

85 099 912 044

✓

31 DECEMBER 2007

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

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				\$A
Sales (or equivalent) operating revenue	down	8%	to	730,366
Operating profit (loss) after income tax	down	449%	to	(35,034)
Profit (loss) after income tax attributable to members of the Parent entity	down	449%	to	(35,034)
Dividends	Current period		Previous corresponding period	
Franking rate applicable	N/A		N/A	
Interim Dividend				
Amount per <i>security</i>	NIL		NIL	
Franked amount per <i>security</i>	NIL		NIL	
Record date for determining entitlements to the dividend: N/A				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market: N/A				

Refer to Financial Accounts covering the Half Year Ended 31 December 2007 for the Income Statement, Balance Sheet, Statement of Changes in equity, Statement of Cash Flows and associated notes.

Brewtopia Limited

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For the Half Year Ended 31 December 2007

Ratios	Current period	Previous corresponding period
Profit before abnormals and tax/sales Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	(4.80%)	1.28%
Profit after tax/equity interests Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.34)	(16.45%)	2.58%

Earnings per security (EPS)

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share

(a) Basic EPS	(\$0.01)	\$0.003
(b) Diluted EPS	(\$0.01)	\$0.003

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.05	\$0.09

Material factors affecting the revenues and expenses of the *issuer* for the current period

Revenue for Beer was down considerably on previous year, accounting for the lower overall Revenue. Beer production was not forthcoming from the breweries over November & December in the quantities we required to fulfil orders. This was due to low Malt supplies and low Bottle supplies. This resulted in the cancellation of orders and also non-promotion of beer at a key selling period of the year. We anticipated an importation order from Germany would fill this void, but arrival was delayed to Australia until after the key selling period of December.

Brewtopia Limited

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For the Half Year Ended 31 December 2007

No control was gained over entities having a material effect during the reported period.

The company does not have any material interests in entities which are not controlled.

No additional shares were issued during this reporting period.

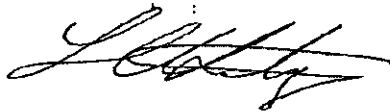
The *issuer* does not have a formally constituted audit committee.



Liam Mulhall
Director

Sydney

Date:



Larry Hedges
Director

Brewtopia Limited
ABN: 85 099 912 044

Financial Statements

For the Half Year Ended 31 December 2007

Brewtopia Limited

ABN: 85 099 912 044

For the Half Year Ended 31 December 2007

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Brewtopia Limited
ABN: 85 099 912 044
Directors' Report
For the Half Year Ended 31 December 2007

Your directors submit the financial report of the Company for the half-year ended 31 December 2007.

Directors

The names of the directors in office at any time during, or since the end of the half year are:

Liam Anthony Mulhall
Lawrence Hedges
Ian Bollen

Principal Activities

The principal activities of Brewtopia Limited during the financial half-year were the marketing and distribution of beer and beer related merchandise, and custom branded beverages.

No significant change in the nature of these activities occurred during the financial half-year.

Company Secretary

Mr Andrew Whitten held the position of company secretary at the end of the financial half-year. Mr Whitten holds a Bachelor of Arts (Economics), Master of Law and Legal Practice (Corporate Finance and Securities Law), Graduate Diploma in Applied Corporate Governance and is an Affiliate of the Institute of Chartered Secretaries (ACIS) (membership pending). Mr Whitten is a Senior Associate with Whittens Lawyers and Consultants.

Operating Results

The loss of the Company after providing for income tax amounted to \$35,034 (2006: \$10,048 profit)

Dividends Paid or Declared

The Directors do not recommend payment of any dividends at this time and no dividend was paid during the half year.

After Balance Date events

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Brewtopia Limited
ABN: 85 099 912 044
Directors' Report
For the Half Year Ended 31 December 2007

Auditors Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2007.

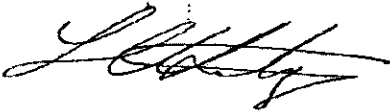
Signed in accordance with a resolution of the Board of Directors:

Director: .



Liam Mulhall

Director:



Lawrence Hedges

Dated thisSeventh day ofMarch..... 2008

Brewtopia Limited

ABN: 85 099 912 044

**Auditors Independence Declaration under Section 307C of the
Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



LAWLER PARTNERS
Chartered Accountants



CLAYTON HICKEY
Partner

Newcastle

Date: 7 March 2008

Sydney

Level 9, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney 2001
Tel 02 8346 6000 Fax 02 8346 6099
Email: info@lawlerpartners.com

Newcastle

763 Hunter Street
Newcastle West NSW 2302 Australia
PO BOX 2368 Dangar 2309
Tel 02 4962 2688 Fax 02 4962 3245 DX 4303
Email: mail@lawlerpartners.com.au



"Liability limited by a scheme
approved under Professional
Standards Legislation"

Brewtopia Limited
ABN: 85 099 912 044
Income Statement
For the Half Year Ended 31 December 2007

		December 31 2007	December 31 2006
	Note	\$	\$
Revenue		730,366	790,239
Changes in inventories of finished goods and work in progress		40,949	(24,532)
Raw materials and consumables used	2	(416,910)	(418,111)
Employee benefits expense		(101,569)	(125,732)
Depreciation, amortisation and impairments	2	(27,946)	(11,028)
Advertising expenses		(24,455)	(55,462)
Auditors' remuneration and accounting fees	2	(18,916)	(9,060)
Directors' fees		(46,364)	(10,909)
Rental expense		(20,942)	(25,123)
Other administrative expenses		(148,508)	(100,234)
Gain (loss) on disposal of assets	2	(739)	-
Profit before income tax		(35,034)	10,048
Income tax expense		-	-
Profit attributable to members		(35,034)	10,048
Earnings Per Share:			
Overall operations:			
Basic earnings per share (cents per share)		(0.01)	0.003
Diluted earnings per share (cents per share)		(0.01)	0.003

The accompanying notes form part of these financial statements.

Brewtopia Limited
ABN: 85 099 912 044
Balance Sheet
As At 31 December 2007

	December 31 2007 \$	June 30 2007 \$
ASSETS		
Current assets		
Cash and cash equivalents	132,097	155,052
Trade and other receivables	61,381	48,127
Inventories	87,050	46,101
Other current assets	-	6,942
Total current assets	280,528	256,222
Non-current assets		
Property, plant and equipment	178,950	207,963
Intangible assets	28,122	19,380
Total non-current assets	207,072	227,343
TOTAL ASSETS	487,600	483,565
LIABILITIES		
Current liabilities		
Trade and other payables	147,108	86,582
Short-term borrowings	24,605	62,125
Short-term provisions	5,634	4,083
Other current liabilities	8,281	(44)
Total current liabilities	185,628	152,746
Non-current liabilities		
Long-term borrowings	89,026	82,839
Total non-current liabilities	89,026	82,839
TOTAL LIABILITIES	274,654	235,585
NET ASSETS	212,946	247,980
EQUITY		
Issued capital	656,383	656,383
Retained earnings	(443,437)	(408,403)
TOTAL EQUITY	212,946	247,980

The accompanying notes form part of these financial statements.

Brewtopia Limited

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Statement of Changes in Equity For the Half Year Ended 31 December 2007

2007

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2007	656,383	(408,403)	247,980
Profit/(Loss) for the year	-	(35,034)	(35,034)
Balance at 31 December 2007	656,383	(443,437)	212,946

2006

Balance at 1 July 2006	656,383	(277,522)	378,861
Profit/(Loss) for the year	-	10,048	10,048
Balance at 31 December 2006	656,383	(267,474)	388,909

The accompanying notes form part of these financial statements.

Brewtopia Limited

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Cash Flow Statement For the Half Year Ended 31 December 2007

	December 31 2007 \$	December 31 2006 \$
Cash from operating activities:		
Receipts from customers	781,438	862,797
Payments to suppliers and employees	(756,246)	(785,140)
Interest received	3,082	5,004
Interest paid	(5,741)	-
Net cash provided by (used in) operating activities	22,533	82,661
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(14,843)	(11,421)
Payment for website development	(11,320)	(10,583)
Net cash provided by (used in) investing activities	(26,163)	(22,004)
Cash flows from financing activities:		
Repayment of borrowings	(14,278)	(24,754)
Net cash provided by (used in) financing activities	(14,278)	(24,754)
Net increase (decreases) in cash held	(17,908)	35,903
Cash at the beginning of the period	150,005	407,218
Cash at end of period	132,097	443,121

The accompanying notes form part of these financial statements.

Brewtopia Limited

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Notes to the Financial Statements For the Half Year Ended 31 December 2007

Note 1 Statement of Significant Accounting Policies

Basis of Preparation

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the entity ended 30 June 2007 and any public announcements made by Brewtopia Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2007 annual financial report for the financial year ended 30 June 2007.

Note 2 Profit from Ordinary Activities

The following expense items are relevant in explaining the financial performance for the period:

	December 31 2007 \$	December 31 2006 \$
Cost of sales	375,961	442,643
Depreciation expense	27,946	11,028
Gain/ loss on disposal of assets	739	-
Remuneration of the auditor of the company: - Review of the half year financial report	6,200	6,000

Brewtopia Limited

ABN: 85 099 912 044

Notes to the Financial Statements For the Half Year Ended 31 December 2007

Note 3 Segment Reporting

The company operates as a marketing and distribution entity for beer and beer related merchandise. All of the revenue from beer is derived within Australia; however the Company does have international members who are only able to purchase merchandise.

Note 4 Events After the Balance Sheet Date

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Note 5 Contingent Liabilities and Contingent Assets

There has been no change in contingent liabilities since the last annual reporting date.

Brewtopia Limited
ABN: 85 099 912 044
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 9:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2007 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.

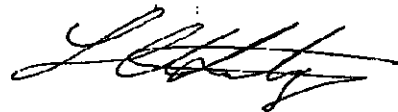
This declaration is made in accordance with a resolution of the Board of Directors.

Director



Liam Mulhall

Director



Lawrence Hedges

Dated 7th March 2008

Brewtopia Limited**ABN: 85 099 912 044****Independent Audit Report to the members of Brewtopia Limited****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Brewtopia Limited for the half year ended 31 December 2007 as set out on pages 1 to 10. The company's directors are responsible for the financial report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 Standards on Review Engagements ASRE 2140 *Review of an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brewtopia Limited, ASRE 2410 requires that we comply with all 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.

Independence

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

Sydney

Level 9, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney 2001
Tel 02 8346 6000 Fax 02 8346 6099
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Brewtopia Limited

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Independent Audit Report to the members of Brewtopia Limited

Conclusion

Based on our review, which is not an audit, we have not become aware of an matter that makes us believe that the half-year financial report of Brewtopia Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.



LAWLER PARTNERS
Chartered Accountants



CLAYTON HICKEY
Partner

Newcastle

Date: 7 March 2008

Sydney

Level 9, 1 O'Connell Street
Sydney NSW 2000 Australia
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