

Brewtopia Limited
ABN: 85 099 912 044

Annual Report

For the Year Ended 30 June 2009

Brewtopia Limited
ABN: 85 099 912 044
For the Year Ended 30 June 2009

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Brewtopia Limited
ABN: 85 099 912 044
For the Year Ended 30 June 2009

Chief Executive Officer's Letter

30 September, 2009

Dear Shareholders,

The financial year ended 30 June 2009 has been a challenging year for Brewtopia. As last year, much of our retail offerings are subject to Australian economic conditions and as such the market for the sale and distribution of custom branded beer and wine has been softer.

A major milestone for Brewtopia was the outsourcing of our operations and logistics to AC Labels in November 2008, which allowed for greater scaling of the business activities, which had been a constant source of pain during the boom months of October to December.

We doubled our production capacity during this time, and our revenues reflect for this period.

We did incur some one-off costs in the handover and outsourcing, including relocation expenses, staff layoff expenses and additional costs in certain areas.

The operational challenges and costs associated with maintaining a listing on NSX has led the company to be in debt to its supplier AC Labels Pty Ltd. As a result of current trading, the Board of Brewtopia took the view that a strategic change in direction for the business was in the best interest of shareholders. As a result of this, on 26th August 2009 the Board resolved to execute conditional agreements to sell the Brewtopia business to Hills Labels Pty Ltd in exchange for an agreement that Hills Labels Pty Ltd assumes the liabilities of Brewtopia. Simultaneously, the Board of Brewtopia has resolved to acquire Australian Premier Finance Company Pty Limited.

The Board remains committed to achieving the best outcome for shareholders and as such believe that these acquisitions are in the best interests of shareholders.

Yours faithfully,



Liam Mulhall
Chief Executive Officer

Brewtopia Limited

ABN: 85 099 912 044

Directors' Report 30 June 2009

Your directors present their report on the company for the financial year ended 30 June 2009.

Directors

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

Liam Anthony Mulhall
Lawrence Hedges
Ian Bollen

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of Brewtopia Limited during the financial year was 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 year.

Company Secretary

Mr Andrew Whitten was appointed company secretary on 27 October 2006. Mr Whitten replaced Mr Liam Mulhall as company secretary. 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 net loss of Brewtopia Limited for the financial year after providing for income tax amounted to \$269,107 (2006: 198,500).

Dividends Paid or Recommended

There were no dividends paid or recommended during or since the end of the financial year.

Significant Changes in State of Affairs

No significant changes in Brewtopia Limited's state of affairs occurred during the financial year other than those described elsewhere in this report.

Brewtopia Limited

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Directors' Report 30 June 2009

After Balance Date Events

Divestment of Brewtopia Business

On 26 August 2009, Brewtopia Limited entered into a conditional agreement to divest the Brewtopia business to Hills Labels Pty Ltd, a wholly owned subsidiary of AC Labels Pty Ltd.

The following are the key terms of the transaction:

- The purchaser of the Brewtopia business is Hills Labels Pty Ltd.
- The consideration upon the transaction will be \$10.00. The reason for the nominal sum is that the amount of liabilities in the Brewtopia business is anticipated to be greater than the sum of \$200,000 and the purchaser has agreed to accept those liabilities. Furthermore in consideration, the Loan Agreement entered into between Brewtopia Limited and AC Labels Pty Ltd will be assigned so that Hills Labels Pty Ltd assumes this liability as well.

This divestment and the acquisition by Hills Labels Pty Limited is conditional on the shareholders of Brewtopia Limited passing all resolutions that are deemed to be required under the NSX Listing Rules and the Corporations Act to give effect to the sale as contemplated by the parties.

Acquisition of Australia Premier Finance Company Limited

On 26 August 2009, Brewtopia Limited announced that it had entered into a conditional, non binding Heads of Agreement (Agreement) to acquire 100% of the issued capital of Australian Premier Finance Company Limited (APFCL).

APFCL is an Australian business that provides finance to selected clients of motor vehicle dealers and brokers in NSW and Queensland.

The following are the key terms of the transaction:

- Brewtopia Limited to acquire 100% of the fully paid ordinary shares in the capital of APFCL in consideration for allotting and issuing up to 50,961,538 shares in the capital of Brewtopia Limited to the shareholders of APFCL.
- The acquisition is subject to the satisfactory completion of due diligence, obtaining appropriate shareholder and regulatory approval, resignation of all current Brewtopia Limited directors and appointment of new directors as nominated by APFCL and completion of the agreement to divest the Brewtopia business to Hills Labels Pty Limited.
- Brewtopia Limited will be undertaking a capital raising via the issue of 2,500,000 fully paid ordinary shares at \$0.04 per share pursuant to a convertible note.

Outsourcing of Business to AC Labels Pty Limited

From 1 July 2009, the company has outsourced the logistical operations of the business to AC Labels Pty Limited. The consideration for this agreement is as follows:

- 500,000 shares in Brewtopia Limited were issued to AC Labels for nil consideration on 29 June 2009. The consideration for these shares is the provision of financial and operational management of the Brewtopia business.
- AC Labels Pty Limited undertaking certain capital expenditure in the business.

It is anticipated that this arrangement will occur until such time as the business is divested to Hills Labels Pty Limited.

Brewtopia Limited

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Directors' Report 30 June 2009

After Balance Date Events (Cont'd)

Standby Debt Facility

The company has obtained a stand-by debt facility of \$50,000 for working capital purposes from AC Labels Pty Limited. Interest is charged on normal commercial terms, and the loan will only be called upon to meet working capital requirements.

Future Developments

Future developments are disclosed above in the "After Balance Date Events". No additional likely developments are expected.

Environmental Issues

Brewtopia Limited's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 10.

Non-audit services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009.

	2009	2008
	\$	\$
Review of Interim Financial reports	7,350	7,000
General Accounting Advice	-	400
	<u>7,350</u>	<u>7,400</u>

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Brewtopia Limited

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Directors' Report 30 June 2009

Meetings of Directors

During the financial year, 2 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Liam Anthony Mulhall	2	2
Lawrence Hedges	2	2
Ian Bollen	2	-

Information on Directors

Liam Anthony Mulhall

Qualifications

Experience

Interest in Shares and Options

Directorships held in other listed entities

Director

Bachelor of Business

Founder of the company, Mr Mulhall also co-founded Mustangs Alley, an Australian importer of sports and classic cars. He also established the first channel and technical training partners for Cisco Systems.

670,890 ordinary shares

None

Lawrence Hedges

Qualifications

Experience

Interest in Shares and Options

Directorships held in other listed entities

Director

Bachelor of Electrical Engineering

Mr Hedges ran his own contracting firm in the UK. He then moved to Australia where he took up the position of Regional Vice President of Storage/Security with Computer Associates.

672,890 ordinary shares

None

Ian Bollen

Qualifications

Experience

Interest in Shares and options

Directorships held in other listed entities

Director

Bachelor of Commerce

Having spent over 15 years with senior positions of supply and logistics companies, Mr Bollen brings a depth of experience in both the supply of products to large businesses and the logistical distribution of products throughout Australia and worldwide. He has exceptional credentials as a strategic leader and a track record of identifying and successfully executing a number of substantial business partnerships. Mr Bollen brings to Brewtopia a breadth of financial, strategic and operational relationships internationally.

68,000 ordinary shares

None

Brewtopia Limited

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Directors' Report 30 June 2009

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Brewtopia Limited.

Proceedings on Behalf of Company

The company is currently subject to a statutory demand brought by Synergy Executive Pty Ltd for a total of \$12,425.86. This claim relates to a license agreement for premises the company allegedly occupied. The company disputes the claim and is currently attempting to resolve the matter.

Apart from the matter described above, no person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director of Brewtopia Limited, and for the executives receiving the highest remuneration.

Remuneration policy

The remuneration policy of Brewtopia Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting Brewtopia Limited's financial results. The board of Brewtopia Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage Brewtopia Limited, as well as create goal congruence between directors, executives and shareholders.

The total remuneration of non-executive directors is determined at a general meeting. Any increase must be approved at a general meeting provided notice of any suggested increase has been given when the meeting was convened. Once total non-executive directors' fees have been determined at a general meeting, the directors determine the amount to be paid to each non-executive director. Executive directors are not entitled to receive directors' fees.

Any director who devotes special attention to the business of the company, or who otherwise performs services, which in the opinion of other directors are outside the scope of ordinary duties, may be paid such extra remuneration as the directors may determine.

All directors are entitled to be reimbursed for any out-of-pocket expenses incurred by them whilst engaged on the business of the company.

The executive directors receive their remuneration through management fees paid to related entities and therefore the company is not required to provide the superannuation guarantee contribution. At the end of the financial year, the remuneration of the executive directors ceased. No further remuneration is paid to key management personnel as the management of the company is performed by a separate company, AC Labels Pty Limited, under an agreement.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive.

Brewtopia Limited

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Directors' Report 30 June 2009

Remuneration policy (Cont'd)

Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of Brewtopia Limited. However, to align directors interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Details of remuneration for year ended 30 June 2009

The remuneration for each director and each of the five executive officers of the Brewtopia Limited receiving the highest remuneration during the year was as follows:

	Salary, Fees and Commissions	Super-annuation Contribution	Cash Bonus	Non-Cash Benefits	Options	Total
	\$	\$	\$	\$	\$	\$
Directors						
Liam Anthony Mulhall	50,637	-	-	-	-	50,637
Lawrence Hedges	47,273	-	-	-	-	47,273
Ian Bollen	-	-	-	-	-	-
	97,910	-	-	-	-	97,910

Performance based remuneration

The remuneration of key management personnel of the company does not include any performance based components. The executive directors received a fixed management fee during the financial year, up until their cessation as executive directors.

Employment contracts of directors and senior executives

During the year, the executive directors received a fixed management fee for their services in the operation of the company. These arrangements ceased as of the end of the financial year, when the financial management of the company was transferred to AC Labels Pty Limited.

There were no cash bonuses paid to key management personnel during the financial year.

Options and Rights Granted

There were no options or rights granted to key management personnel during the financial year.

Changes to Directors and Executives

During the financial year, Liam Mulhall and Larry Hedges ceased their roles as executive directors and are no longer involved in the daily operations of the business. They retain their positions as Directors. The management of the company is now performed by AC Labels Pty Limited, a major shareholder of Brewtopia Limited. Refer to "After Balance Date Events" for further details of this arrangement.

Brewtopia Limited

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**Directors' Report
30 June 2009**

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

A handwritten signature in black ink, appearing to read 'Liam Anthony Mulhall', is written over a horizontal dotted line.

Liam Anthony Mulhall

Dated: 30 September, 2009

Sydney

Brewtopia Limited
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Corporate Governance Statement

BOARD COMPOSITION AND MEMBERSHIP

The number of directors must consist of no fewer than three and no more than seven.

As at the date of this report the board consisted of two executive directors (L A Mulhall - CEO, L G Hedges - Managing Director) and one non-executive director (I Bollen)

The directors have elected Mr Mulhall as Chairman. Individual details of directors, including their skills and experience, are set out in the Directors' Report.

DIRECTORS' ARRANGEMENTS

The Company's constitution provides that a director may hold office in any other entity that the Company deals with, with the exception of acting in the capacity of external auditor. Each director must disclose their interests in any other entities with whom the Company deals.

It is the practice of the board that when a conflict of interest or a potential conflict of interest exists, the director concerned withdraws from that part of the meeting whilst the matter is being considered. At the discretion of the other board members and depending on the degree to which a conflict exists, the director concerned may be able to be present during discussions but cannot vote or exert influence over other members of the board.

REMUNERATION OF DIRECTORS

The total remuneration of non-executive directors is determined at a general meeting. Any increase must be approved at a general meeting provided notice of any suggested increase has been given when the meeting was convened. Once total non-executive directors' fees have been determined at a general meeting, the directors determine the amount to be paid to each non-executive director. Executive directors are not entitled to receive directors' fees.

Any director who devotes special attention to the business of the Company, or who otherwise performs services, which in the opinion of other directors are outside the scope of ordinary duties, may be paid such extra remuneration as the directors may determine.

All directors are entitled to be reimbursed for any out-of-pocket expenses incurred by them whilst engaged on the business of the Company.

Further details regarding the Company's remuneration policy are dealt with in the Directors' Report.

SHARE TRADING POLICY

The Company's share trading policy regulates dealings by the Company's directors, employees and personally related entities of directors and employees in any securities issued by the Company.

The purpose of the policy is to ensure that the Company's directors and employees are aware of the legal restrictions on trading any securities issued by the Company while such a person is in possession of unpublished price sensitive information. Additionally, the policy is intended to minimise the chance that misunderstandings or suspicions may arise if the Company's directors or employees are trading in securities while it is reasonable to assume that they may be in possession of price sensitive information. The policy recognises that it may be illegal to trade in the Company's securities while in possession of unpublished price sensitive information.

Brewtopia Limited
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Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT AUDIT COMMITTEE

The company has not established an audit committee at 30 June 2009 due to the current size of the company. Any matters of an audit nature are discussed with the external auditors. It is the intention of the board to establish an audit committee when the company reaches a size for the establishment to be cost effective.

RISK MANAGEMENT

The board is ultimately responsible for the management and performance of the Company. The board considers the management of risk as one of its key responsibilities. The following processes or procedures have been established to curtail or prevent the occurrence of risks within the Company's operations.

- The establishment of a Credit Management Cell which approves all finance applications. As part of this process, staff cannot unilaterally approve finance applications. Sales functions are separated from credit functions which further strengthens the approval process.
- The establishment of a detailed Credit Policy which stipulates the type of financing activities the Company will participate in. This policy is regularly reviewed to ensure it remains relevant.
- The establishment of a Security Register that details specific information in relation to certain types of securities that are held.
- Periodic audit of our information technology systems which includes the identification and rectification of any potential weaknesses that may exist within the constraints of an organisation of this size.

AUDIT

The board is responsible for the selection and appointment of the external auditor. To ensure the independence of the auditor, the Company will not use the services of the external auditor in a capacity that may jeopardize this independence.

CONTINUOUS DISCLOSURE AND REPORTING

The Company is aware of its responsibilities in relation to continuous disclosure as required by the Corporations Act 2001. Directors are also aware of their disclosure obligations at board meetings to keep the Company informed of any matters that are of a serious or significant nature that other directors should be aware of. The outcomes of discussions at board meeting are recorded in the Company's minutes.

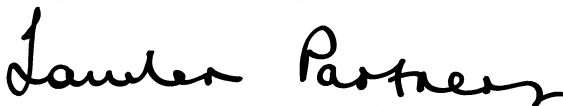
Brewtopia Limited

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 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

30 September 2009

Sydney

Lawler Partners
Audit & Assurance
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Brewtopia Limited
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Income Statement
For the Year Ended 30 June 2009

		2009	2008
	Note	\$	\$
Revenue	2	1,340,445	1,350,688
Changes in inventories of finished goods and work in progress	3	(45,820)	13,480
Raw materials and consumables used	3	(942,855)	(805,293)
Employee benefits expense		(127,046)	(206,054)
Depreciation, amortisation and impairments		(48,798)	(56,495)
Advertising expense		(84,005)	(45,643)
Auditors' remuneration and accounting fees		(25,800)	(21,294)
Directors' fees		(97,910)	(101,818)
Other administrative expenses		(234,292)	(326,071)
Finance costs	3	(3,026)	-
Profit before income tax		(269,107)	(198,500)
Income tax expense	4(a)	-	-
Profit attributable to members		(269,107)	(198,500)
Earnings Per Share:			
Overall operations:			
Basic earnings per share (cents per share)	7	(6.26)	(5.08)
Diluted earnings per share (cents per share)	7	(6.26)	(5.08)

The accompanying notes form part of the financial statements

Brewtopia Limited

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Balance Sheet 30 June 2009

	Note	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	26,742	115,155
Trade and other receivables	9	18,567	86,121
Inventories	10	13,761	59,581
Total current assets		59,070	260,857
Non-current assets			
Property, plant and equipment	11	74,747	144,345
Intangible assets	12	25,028	35,331
Total non-current assets		99,775	179,676
TOTAL ASSETS		158,845	440,533
LIABILITIES			
Current liabilities			
Trade and other payables	13	129,952	107,996
Financial liabilities	14	14,430	23,003
Short-term provisions	15	5,884	3,780
Other current liabilities	16	14,913	7,222
Total current liabilities		165,179	142,001
Non-current liabilities			
Financial liabilities	14	30,065	65,824
Total non-current liabilities		30,065	65,824
TOTAL LIABILITIES		195,244	207,825
NET ASSETS		(36,399)	232,708
EQUITY			
Issued capital	17	839,611	839,611
Retained earnings		(876,010)	(606,903)
TOTAL EQUITY		(36,399)	232,708

The accompanying notes form part of the financial statements

Brewtopia Limited

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Statement of Changes in Equity For the Year Ended 30 June 2009

	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2008	839,611	(606,903)	232,708
Loss for the year	-	(269,107)	(269,107)
Balance at 30 June 2009	839,611	(876,010)	(36,399)
Balance at 1 July 2007	656,383	(408,403)	247,980
Shares issued during the year	183,228	-	183,228
Loss for the year	-	(198,500)	(198,500)
Balance at 30 June 2008	839,611	(606,903)	232,708

The accompanying notes form part of the financial statements

Brewtopia Limited
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Cash Flow Statement
For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Cash from operating activities:			
Receipts from customers		1,517,570	1,431,588
Payments to suppliers and employees		(1,575,742)	(1,585,221)
Interest received		2,213	5,479
Net cash provided by (used in) operating activities	21(a)	(55,959)	(148,154)
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		-	17,750
Acquisition of property, plant and equipment		(665)	(19,845)
Payments for intangible assets		-	(22,350)
Net cash provided by (used in) investing activities		(665)	(24,445)
Cash flows from financing activities:			
Proceeds from issue of shares		-	183,228
Repayment of borrowings		(31,789)	(45,479)
Net cash provided by (used in) financing activities		(31,789)	137,749
Net increase (decreases) in cash held		(88,413)	(34,850)
Cash at beginning of financial year		115,155	150,005
Cash at end of financial year	8	26,742	115,155

The accompanying notes form part of the financial statements

Brewtopia Limited

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Statement of Significant Accounting Policies For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies

(a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Brewtopia Limited as an individual entity. Brewtopia Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Brewtopia Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by the Board of Directors on 30 September 2009.

(b) Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(c) Income Tax

Current Income Tax expense

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred income tax assets

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Accounting for deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies (Cont'd)

(c) Income Tax (Cont'd)

Deferred tax calculation

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises the purchase price, it does not include any direct labour or any absorption of any variable or fixed overhead expenditure.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use.

Depreciation rates

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	15 - 40%
Motor Vehicles	15%

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies (Cont'd)

(f) Intangibles

Web Site Development

Web Site development costs are recorded as an intangible asset, as the Web Site has been developed primarily to enable the company to transact on-line with its customers. Costs are capitalised as an intangible asset, where such costs will derive future economic benefits. The Web Site is amortised over its useful life, as it is deemed to be an intangible asset with a finite useful life.

(g) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Assets are tested for recoverability whenever events of changes in circumstances indicate that its carrying value may not be fully recoverable.

The company monitors the recoverability of assets, based on factors such as current market value, future asset utilisation, business climate and future undiscounted cash flows expected to result from the use of the related assets. The company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset. To 30 June 2009, no impairment losses have been recorded.

(h) Leases

Finance leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies (Cont'd)

(h) Leases (Cont'd)

Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(i) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies (Cont'd)

(i) Financial Instruments (Cont'd)

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(l) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies (Cont'd)

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) New Accounting Standards and Interpretations

Certain new and amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. Brewtopia Limited's assessment of the impact of these new and amended standards and interpretations is set out below:

AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008 3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008 7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. The following changes to accounting requirements are included:

- acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
- contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
- a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
- there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity;
- dividends declared out of pre acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
- impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
- where there is, in substance, no change to the entity's interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

The above accounting standard changes do not apply to Brewtopia Limited in the current financial year however will apply to any future business combinations, the effect of which cannot be determined presently..

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies (Cont'd)

(n) New Accounting Standards and Interpretations (Cont'd)

AASB 8: Operating Segments and AASB 2007 3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by Brewtopia Limited's Board for the purposes of decision making. Given that Brewtopia Limited does not operate in multiple segments, there is expected to be minimal impact from the application of this standard.

AASB 101: Presentation of Financial Statements, AASB 2007 8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007 10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on Brewtopia Limited in the current financial year. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required. The requirements of this standard will first be applied to the financial reporting period ending 30 June 2010.

AASB 123: Borrowing Costs and AASB 2007 6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There is not expected to be any impact on Brewtopia Limited given that most capital projects are financed internally. AASB 2008 5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008 5) and AASB 2008 6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008 6). Detail numerous non urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect Brewtopia Limited.

Brewtopia Limited does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Company's financial statements.

(o) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1 Statement of Significant Accounting Policies (Cont'd)

(p) Critical accounting estimates and judgments

(i) General

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the company.

(ii) Significant accounting estimates

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of Assets

Refer to Note 1(g) for key accounting estimates and methodology with respect to impairment of assets.

(iii) Significant accounting judgements

In the process of applying the company's accounting policies, management has not made any judgements which have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations.

(q) Going Concern

Notwithstanding the company's deficiency in net assets, the financial report has been prepared on the going concern basis. The Directors believe that the company will be able to continue to be able to pay its debts as and when they fall due and have made this assessment on the following basis:

- The company's operations have been rationalised and cost savings are expected in the short term whilst the company is operating under the management of AC Labels Pty Limited.
- A stand-by debt facility of \$50,000 has been obtained from AC Labels Pty Limited, a major shareholder, which can be called on to meet working capital requirements.
- Proposed restructuring of the company's operations, as outlined in Note 22 are expected to significantly change the operating structure of the business, which is expected to improve the financial position of the company.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 2 Revenue

(a) Operating activities

- Sale of goods	1,314,684	1,327,422
- Interest received - other persons	2,213	5,479
- Other revenue	23,548	17,787
Total Revenue	<u>1,340,445</u>	<u>1,350,688</u>

Note 3 Profit from Ordinary Activities

(a) Expenses

Cost of sales	<u>988,675</u>	791,813
Finance Costs: External parties	<u>3,026</u>	-

(b) Revenue and Net Gains

Net (gains)/losses on disposal of property, plant and equipment	<u>9,235</u>	(1,451)
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Note 4 Income Tax Expense

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)	(80,732)	(59,550)
Tax losses not brought to account	<u>80,732</u>	<u>59,550</u>
Income tax attributable to entity	<u>-</u>	<u>-</u>

(b) Tax Losses

Tax losses have not been brought to account as the recognition criteria outlined in Note 1(c) has not been met.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 5 Auditors' Remuneration

Remuneration of the auditor of the company for:

- Auditing and reviewing the financial report - current auditor
- Other services - current auditor

16,000	15,000
7,350	7,400
23,350	22,400

Note 6 Dividends

There were no dividends paid or declared during or since the end of the financial year.

Note 7 Earnings Per Share

(a) Earnings Used in Calculation of EPS

Profit for the year	(269,107)	(198,500)
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(b) Weighted Average Number of Shares Used in Calculation of EPS

	2009 No.	2008 No.
Ordinary EPS	4,297,409	3,904,059
Diluted EPS	4,297,409	3,904,059

Potential ordinary shares have not been included in the calculation of Diluted EPS, as their effect would be to increase the the loss per share.

Note 8 Cash and Cash Equivalents

Cash on hand	-	51
Cash at bank	26,742	115,104
	26,742	115,155

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 9 Trade and Other Receivables

CURRENT

Trade receivables	18,412	78,423
Other receivables	155	7,698
	<u>18,567</u>	<u>86,121</u>

(a) Aged analysis

The ageing analysis of receivables is as follows:

0-30 days	14,223	71,742
31-60 days	2,158	4,695
61-90 days (past due not impaired)	2,496	1,049
91+ days (past due not impaired)	(465)	937
	<u>18,412</u>	<u>78,423</u>

(b) Credit Risk

The company has no significant concentration of credit risk with respect to any single debtor or group of debtors. No provision for doubtful debts has been recorded as the company does not believe any amounts are impaired.

There is no collateral held as security over any of the company's debtors.

Note 10 Inventories

CURRENT

Stock on hand	<u>13,761</u>	<u>59,581</u>
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Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 11 Property Plant and Equipment

PLANT AND EQUIPMENT

Plant and equipment - at cost	169,198	174,563
Less: accumulated depreciation	(94,451)	(64,700)
Total plant and equipment	74,747	109,863
Motor vehicles - at cost	-	42,422
Less: accumulated depreciation	-	(7,940)
Total motor vehicles	-	34,482
Total plant and equipment	-	34,482
Total property, plant and equipment	74,747	144,345

(a) Movements in Carrying Amounts

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
Balance at the beginning of year	109,863	34,482	144,345
Disposals	(3,049)	(28,719)	(31,768)
Depreciation and amortisation expense	(32,067)	(5,763)	(37,830)
Carrying amount at the end of year	74,747	-	74,747

Note 12 Intangible Assets

NON-CURRENT

Web Site development costs		
Cost	46,694	46,029
Accumulated amortisation and impairment	(21,666)	(10,698)
Net carrying amount	25,028	35,331
Total Intangibles	25,028	35,331

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 12 Intangible Assets (Cont'd)

(a) Reconciliation of movements

	Web Site development costs	Total
	\$	\$
Year ended 30 June 2008		
Opening balance	19,380	19,380
Additions	22,350	22,350
Amortisation	(6,399)	(6,399)
Balance at 30 June 2008	35,331	35,331
Year ended 30 June 2009		
Opening balance	35,331	35,331
Additions	665	665
Amortisation	(10,968)	(10,968)
Balance at 30 June 2009	25,028	25,028

(b) Useful Lives

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges in respect of intangible assets are included under depreciation and amortisation expense in the income statement.

Note 13 Trade and Other Payables

CURRENT

Unsecured liabilities

Trade payables	108,123	69,665
Amounts received in advance	1,000	-
GST payable	(50,320)	(26,831)
Sundry payables and accrued expenses	30,908	38,742
Payroll liabilities	40,241	26,420
	129,952	107,996

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 14 Borrowings

CURRENT

Unsecured liabilities

Other financial liabilities

-	5,987
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Secured liabilities

Finance lease obligation

14,430	17,016
--------	--------

14,430	23,003
--------	--------

NON-CURRENT

Secured liabilities

Finance lease obligation

30,065	65,824
--------	--------

(a) Total current and non-current secured liabilities

Finance lease obligations

44,495	82,840
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44,495	82,840
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Finance lease liabilities are secured by the assets to which the finance relates.

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 15 Provisions

(a) Movement in carrying amounts

	Employee entitlements \$	Total \$
Opening balance at 1 July 2008	3,780	3,780
Additional provisions	4,827	4,827
Amounts used	(2,723)	(2,723)
Balance at 30 June 2009	<u>5,884</u>	<u>5,884</u>

(b) Analysis of Total Provisions

Current	5,884	3,780
Non-current	-	-
	<u>5,884</u>	<u>3,780</u>

(c) Provision for Employee Entitlements

A provision is recognised for the leave entitlements of employees of the company. The recognition criteria is outlined at Note 1(j).

Note 16 Other Liabilities

CURRENT

Customer deposits	<u>14,913</u>	<u>7,222</u>
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Notes to the Financial Statements For the Year Ended 30 June 2009

	2009	2008
	\$	\$
Note 17 Issued Capital		
4,794,669 (2008: 4,294,669) fully paid ordinary shares	839,611	839,611
Total	839,611	839,611

(a) Ordinary Shares

	2009	2008
	No.	No.
At the beginning of reporting period	4,294,669	3,737,745
Shares issued during the year		
Shares issued during the year	-	556,924
Shares issued for non-cash consideration	500,000	-
At reporting date	4,794,669	4,294,669

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Capital Management

Management controls the capital of Brewtopia Limited in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital consists of ordinary share capital and financial liabilities, supported by financial and other assets.

There are no externally imposed capital requirements.

Management effectively manage the company's capital by assessing financial risks and adjusting the capital structure accordingly. These responses include management of debt levels and share issues when further capital is required. There have been no changes to this strategy during the period.

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 18 Capital and Leasing Commitments

(a) Operating Lease Commitments

The company is currently committed to the lease of its office premises at Gladesville. The lease term runs until 11 April 2009.

Payable - minimum lease payments
- not later than 12 months

-	47,836
-	47,836

(b) Capital Expenditure Commitments

There are no capital expenditure commitments contractually committed for at the balance date, that have not been otherwise disclosed in the financial statements.

(c) Finance Lease Commitments

Payable - minimum lease payments
- no later than 12 months
- between 12 months and 5 years

17,849	25,025
32,723	76,311

Minimum lease payments

50,572	101,336
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Less future finance changes

(6,077)	(18,496)
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Present value of minimum lease payments

44,495	82,840
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Note 19 Contingent Liabilities and Contingent Assets

There are no contingent assets or liabilities in existence at balance date not otherwise disclosed in the financial report.

Note 20 Segment Reporting

The company operates in one business segment that being the marketing and distribution of beer and beer related merchandise and custom branded beverages. The company operates predominately in one geographical segment that being Australia.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 21 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Net income/loss for the period	(269,107)	(198,500)
Non-cash flows in profit		
Depreciation and amortisation	48,798	56,510
Interest expense on borrowings	7,488	10,717
Net (gain)/loss on disposal of property, plant and equipment	11,737	(726)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	67,554	(37,994)
(Increase)/decrease in prepayments	-	6,942
(Increase)/decrease in inventories	45,820	(13,480)
Increase/(decrease) in trade payables and accruals	21,956	21,414
Increase/(decrease) in other liabilities	7,691	7,266
Increase/(decrease) in provisions	2,104	(303)
Cashflow from operations	<u>(55,959)</u>	<u>(148,154)</u>

(b) Non-cash Financing and Investing Activities

During the 2009 financial year, the company finalised a lease liability by trading in the vehicle to which the lease related. The net written down value of \$20,031 at the date the lease was finalised was used to settle the remaining liability. This transaction is not reflected in the cash flow statement.

(c) Loan Facilities

Loan facilities	<u>50,000</u>	-
	<u>50,000</u>	-

The major facilities are summarised as follows:

The company has a stand-by debt facility with AC Labels Pty Limited, on normal commercial terms, that is available for working capital purposes.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 22 Events After the Balance Sheet Date

(a) Divestment of Brewtopia Business

On 26 August 2009, Brewtopia Limited entered into a conditional agreement to divest the Brewtopia business to Hills Labels Pty Ltd, a wholly owned subsidiary of AC Labels Pty Ltd.

The following are the key terms of the transaction:

- The purchaser of the Brewtopia business is Hills Labels Pty Ltd.
- The consideration upon the transaction will be \$10.00. The reason for the nominal sum is that the amount of liabilities in the Brewtopia business is anticipated to be greater than the sum of \$200,000 and the purchaser has agreed to accept those liabilities. Furthermore in consideration, the Loan Agreement entered into between Brewtopia Limited and AC Labels Pty Ltd will be assigned so that Hills Labels Pty Ltd assumes this liability as well.

This divestment and the acquisition by Hills Labels Pty Limited is conditional on the shareholders of Brewtopia Limited passing all resolutions that are deemed to be required under the NSX Listing Rules and the Corporations Act to give effect to the sale as contemplated by the parties.

(b) Acquisition of Australia Premier Finance Company Limited

On 26 August 2009, Brewtopia Limited announced that it had entered into a conditional, non binding Heads of Agreement (Agreement) to acquire 100% of the issued capital of Australian Premier Finance Company Limited (APFCL).

APFCL is an Australian business that provides finance to selected clients of motor vehicle dealers and brokers in NSW and Queensland.

The following are the key terms of the transaction:

- Brewtopia Limited to acquire 100% of the fully paid ordinary shares in the capital of APFCL in consideration for allotting and issuing up to 50,961,538 shares in the capital of Brewtopia Limited to the shareholders of APFCL.
- The acquisition is subject to the satisfactory completion of due diligence, obtaining appropriate shareholder and regulatory approval, resignation of all current Brewtopia Limited directors and appointment of new directors as nominated by APFCL and completion of the agreement to divest the Brewtopia business to Hills Labels Pty Limited.
- Brewtopia Limited will be undertaking a capital raising via the issue of 2,500,000 fully paid ordinary shares at \$0.04 per share pursuant to a convertible note.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

2009	2008
\$	\$

Note 22 Events After the Balance Sheet Date (Cont'd)

(c) Outsourcing of Business to AC Labels Pty Limited

From 1 July 2009, the company has outsourced the logistical operations of the business to AC Labels Pty Limited. The consideration for this agreement is as follows:

- 500,000 shares in Brewtopia Limited were issued to AC Labels for nil consideration on 29 June 2009. The consideration for these shares is the provision of financial and operational management of the Brewtopia business.
- AC Labels Pty Limited undertaking certain capital expenditure in the business.

It is anticipated that this arrangement will occur until such time as the business is divested to Hills Labels Pty Limited.

(d) Standby Debt Facility

The company has obtained a stand-by debt facility of \$50,000 for working capital purposes from AC Labels Pty Limited. Interest is charged on normal commercial terms, and the loan will only be called upon to meet working capital requirements.

Note 23 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transaction with related parties:

(a) Director and Director-related entities

Management fees are paid to a related entity controlled by Mr Liam Mulhall. The management fees are paid in lieu of salaries and wages, and relate to service provided by Mr Mulhall to the company.	50,637	50,909
Management fees are paid to a related entity controlled by Mr Lawrence Hedges. The management fees are paid in lieu of salaries and wages, and relate to service provided by Mr Hedges to the company.	47,273	50,909
During the year, the company purchased a motor vehicle from the wife of Mr Larry Hedges.	-	5,000

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 24 Interests of Key Management Personnel (KMP)

(a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Liam Anthony Mulhall	Director and CEO
Lawrence Hedges	Managing Director
Ian Bollen	Director

(b) Summary of Key Management Personnel Compensation

	Short-term benefits \$	Post employment benefit \$	Other long-term benefits \$	Total \$
2009				
Total compensation	97,910	-	-	97,910
2008				
Total compensation	101,818	-	-	101,818

(c) Key Management Personnel Shareholdings

The number of ordinary shares in Brewtopia Limited held by each key management personnel of Brewtopia Limited during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2009					
Liam Anthony Mulhall	898,961	-	-	(227,070)	671,891
Lawrence Hedges	899,960	-	-	(227,070)	672,890
Ian Bollen	68,000	-	-	-	68,000
	1,866,921	-	-	(454,140)	1,412,781
30 June 2008					
Liam Anthony Mulhall	897,961	-	-	1,000	898,961
Lawrence Hedges	899,960	-	-	-	899,960
Ian Bollen	50,000	-	-	18,000	68,000
	1,847,921	-	-	19,000	1,866,921

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 24 Interests of Key Management Personnel (KMP) (Cont'd)

(d) Key Management Personnel Compensation

	Short-term benefits			Non-cash Benefits	Post employment benefits Super-annua tion	Other long-term benefits Options	Share-based payments		Total	Performance related %
	Cash, salary & commissions	Cash profit share	Cash Bonus				Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Liam Mulhall	50,637	-	-	-	-	-	-	-	50,637	-
Lawrence Hedges	47,273	-	-	-	-	-	-	-	47,273	-
	97,910	-	-	-	-	-	-	-	97,910	-

	Short-term benefits			Non-cash Benefits	Post employment benefits Super-annua tion	Equity Options	Share-based payments		Total	Performance Related %
	Cash, salary & commissions	Cash profit share	Cash Bonus				Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Liam Mulhall	50,909	-	-	-	-	-	-	-	50,909	-
Lawrence Hedges	50,909	-	-	-	-	-	-	-	50,909	-
	101,818	-	-	-	-	-	-	-	101,818	-

Note 25 Financial Instruments

(a) Financial Risk Management

Brewtopia Limited's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries and bank bills.

The main purpose for non-derivative financial instruments is to raise finance for group operations.

The company does not have any derivative financial instruments at the end of the financial year.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Brewtopia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2009

Note 25 Financial Instruments (Cont'd)

(c) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Non-interest Bearing		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:												
Cash and cash equivalents	1.00	1.00	26,742	115,104	-	-	-	-	-	51	26,742	115,155
Trade and other receivables	-	-	-	-	-	-	-	-	18,567	86,121	18,567	86,121
Total Financial Assets			26,742	115,104	-	-	-	-	18,567	86,172	45,309	201,276
Financial Liabilities:												
Trade and other payables	-	-	-	-	-	-	-	-	108,123	69,665	108,123	69,665
Finance lease obligations	11.00	10.00	-	-	14,430	17,016	30,065	65,824	-	-	44,495	82,840
Other financial liabilities	-	-	-	-	-	-	-	-	-	5,987	-	5,987
Total Financial Liabilities			-	-	14,430	17,016	30,065	65,824	108,123	75,652	152,618	158,492

(d) Net Fair Value

The net fair value approximates the carrying value of financial assets and liabilities of the economic entity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

(e) Sensitivity analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk and has determined that any fluctuations would not have a material impact on profit or equity. The company is exposed to interest rate risk on its finance leases and cash at bank however any changes affecting these would be minimal.

The company is not exposed to any other market rate fluctuations.

Note 26 Company Details

The registered office and principal place of business of the company is:

Brewtopia Limited (c/o AC Labels Pty Limited)
Factory 54, 132 Hassall Street
WETHERILL PARK NSW 2164

Brewtopia Limited

ABN: 85 099 912 044

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set in the income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company.
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 Anthony Mulhall

Dated 30 September 2009

Sydney

Brewtopia Limited

ABN: 85 099 912 044

Independent Audit Report to the members of Brewtopia Limited

Scope

We have audited financial report of Brewtopia Limited for the financial year ended 30 June 2009 as set out on pages 11 to 38.

The financial report includes the financial statements at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed the applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as set out in the financial report has not changed as at the date of providing our audit opinion.

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under Professional Standards Legislation

Brewtopia Limited

ABN: 85 099 912 044

Independent Audit Report to the members of Brewtopia Limited

Audit Opinion

In our opinion, the financial report of Brewtopia Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Material Uncertainty Regarding Continuation as a Going Concern

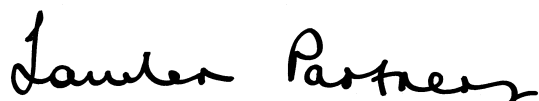
Without qualification to the opinion expressed above, attention is drawn to Note 1(q) which indicates that the company has a deficiency of net assets. This factor, along with the other matters described, indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors Report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Brewtopia Limited for the year ended 30 June 2009, complies with s300A of the Corporations Act 2001.



LAWLER PARTNERS
Chartered Accountants



CLAYTON HICKEY
Partner

Sydney

30 September 2009

Brewtopia Limited

ABN: 85 099 912 044

Additional Information for Listed Public Companies For the Year Ended 30 June 2009

The following additional information is required by the National Stock Exchange of Australia in respect of listed public companies only.

10 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Palm Leaf Pty Limited	670,891	13.992
2	Sterling Growth Pty Limited	670,890	13.992
3	AC Labels Pty Ltd	500,000	10.428
4	AC Labels Pty Ltd	454,140	9.472
5	Springfresh Marketing Pty Limited	440,000	9.177
6	Mr Greg Mark Bunt	90,042	1.878
7	Mr Anthony Paul Moran	90,042	1.878
8	Shirley David	66,196	1.381
9	Mr Ian Edward Bollen & Ms Susan Patricia Kelly	50,000	1.043
10	Samuel Clarke Investments	50,000	1.043
10	Donscape Pty Ltd	50,000	1.043