

Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	Broad Investments Limited
ABN	91 087 813 090
Half Year Ended	31 December 2013
Previous Corresponding Reporting Period	31 December 2012

Key information

Results for Announcement to the Market

	Current Year 31 Dec 2013 \$	Net increase /(decrease) over previous corresponding period 31 Dec 2012 \$	Percentage increase /(decrease) over previous corresponding period 31 Dec 2012
Revenue from ordinary activities	\$1,910,665	\$445,566	Up 30%
Profit / (loss) from ordinary activities after tax attributable to members	(\$44,703)	\$773,445	Down 95%
Net profit / (loss) for the period attributable to members	(\$44,703)	\$773,445	Down 95%

Commentary on results as disclosed above

Revenue from ordinary activities increased by 30% on the previous half year to \$1,910,665 (2012: \$1,465,099). The increase was attributable to an increase in sales of services for the six months to 31 December 2013.

The consolidated entity recorded a loss for the half-year of \$44,703 (2012: \$818,148 loss). The large decrease in the loss was largely due to the re-structure of the Company's operating business Mirrus Managed Services, in the first half of 2012-2013 financial year and the restructure of the Company's Unified Business Communications Group business in the first quarter of the current financial year, which resulted in a reduction in impairment, staff expenses and general and administrative expenses, plus an increase in sales revenue.

Other information

Net Tangible Asset backing (NTA)

	Current Year 31 Dec 2013	Previous Year 31 Dec 2012
Net tangible asset backing per ordinary security	(0.06) cents	(0.13) cents

Control gained / lost over controlled entities

During and since the six month period to 31 December 2013 there has not been any control gained or lost over controlled entities.

Dividend or distribution reinvestment plans

During and since the six month period to 31 December 2013 there has not been any dividend paid or dividend distribution reinvestment plan in operation.

Associates and joint venture entities

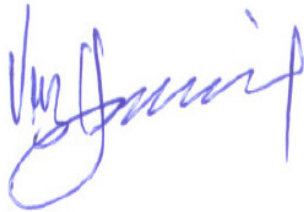
During and since the six month period to 31 December 2013 the economic entity has not recognised any associates or joint venture entities which require disclosure under the equity method of accounting.

Foreign entities accounting framework

Broad Investments Limited group does not contain any foreign entities and is therefore not subject to any such foreign entity accounting framework.

Attachments forming part of Appendix 4D

1. An interim financial report for the half-year ended 31 December 2013 is provided with the Appendix 4D information.
2. The interim report has been prepared in accordance with AASB 134 Interim Financial Reporting.
3. The Appendix 4D information is based on the interim financial report, which has been subject to auditor review.
4. The auditor review is provided with the interim financial report.



Vaz Hovanessian
Chairman

27 February 2014

Broad Investments Limited

ABN 91 087 813 090

and Controlled Entities

Interim Financial Report

Six Months Ended 31 December 2013

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DIRECTORY

Directors

Vaz Hovanesian – Executive Chairman
Neil Gibson – Non executive Director
Johannes Scholtz – Non executive Director

Company Secretary

Vaz Hovanesian – Bach. Bus., M.App.Fin., CPA., FCSA.

Registered Office

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Artarmon, NSW. 2064
Postal: PO Box 126,
Artarmon, NSW, 1570
Telephone: (02) 9425 0000
Facsimile: (02) 9425 0099

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, WA. 6153
Postal: PO Box 535,
Applecross, WA. 6953

Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

Auditors

Crowe Horwath Sydney
Level 15, 1 O'Connell Street
Sydney, NSW, 2000

Legal Advisors

Weir & Stempel
Barristers & Solicitors
50 Strathalbyn Street,
East Kew, VIC. 3102

Bankers

Commonwealth Bank of Australia Ltd
120 Pitt Street
SYDNEY NSW 2000

Stock Exchange Listing

The Company is listed on:

Australian Securities Exchange
ASX Code: BRO

DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to hereafter as “the consolidated entity” or “Group”) consisting of Broad Investments Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2013.

DIRECTORS

The names of the directors in office throughout the six months and up to the date of this report are:

Executive Chairman
Mr Vaz Hovanessian

Non-executive Directors
Mr Johannes Scholtz
Mr Neil Gibson

PRINCIPAL ACTIVITIES

The principal activity of the Group is as a provisioning services business, servicing the communications and ICT markets.

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity recorded a loss for the half-year of \$44,703 (2012: \$818,148 loss). The large decrease in the loss was largely due to the re-structure of the Company’s operating business Mirrus Managed Services, in the first half of 2012-2013 financial year and the restructure of the Company’s Unified Business Communications Group business in the first quarter of the current financial year, which resulted in a reduction in impairment, staff expenses and general and administrative expenses, plus an increase in sales revenue.

Revenue from ordinary activities increased by 30% on the previous half year to \$1,910,665 (2012: \$1,465,099). The increase was attributable to an increase in sales of services for the six months to 31 December 2013.

PREPARATION OF INTERIM FINANCIAL REPORT

The financial statements and notes thereto have been prepared in accordance with Australian equivalents to International Financial Reporting Standards.

DIVIDENDS

The directors do not recommend payment of a dividend, and no dividend has been paid during the half-year.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

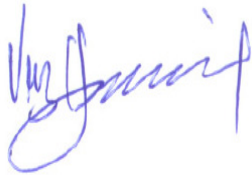
There were no significant events subsequent to balance date.

DIRECTORS' REPORT (cont.)

AUDITOR'S DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 for the half-year ended 31 December 2013.

The report is signed in accordance with a resolution of the Board of Directors.



Vaz Hovanesian
Chairman

27 February 2014

27 February 2014

The Board of Directors
Broad Investments Limited
15 Whiting Street
ARTARMON NSW 2064

Dear Board Members

BROAD INVESTMENTS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Broad Investments Limited and its controlled entities.

As lead audit partner for the review of the half-year financial statements of Broad Investments Limited and its controlled entities for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



CROWE HORWATH SYDNEY



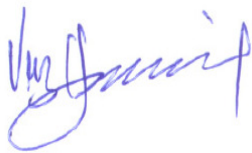
ROGER WONG
Partner

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the *Corporation Act 2001*, including:
 - a) Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 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.



Vaz Hovanesian
Chairman

27 February 2014

BROAD INVESTMENTS LIMITED - ABN 91 087 813 090
and Controlled Entities

**CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	31 December 2013 \$	31 December 2012 \$
Sales revenue	1,909,448	1,464,044
Interest income	1,217	1,015
Other income	-	40
Total revenue from continuing operations	1,910,665	1,465,099
Less:		
Cost of sales	(1,226,445)	(857,378)
Gross Profit	684,220	607,721
Employee benefits expense	(266,266)	(278,270)
General & administrative expenses	(413,685)	(510,642)
Finance costs	(19,624)	(57,449)
Depreciation and amortisation expense	(3,160)	(3,158)
Net bad & doubtful debts written back	10,642	2,461
Unrealised loss on shares	-	(2,016)
Gain / (loss) on sale of available for sale financial assets	(20,084)	4,395
Impairment expense	(16,746)	(929,324)
Amortisation of non-current assets	-	(104,633)
Reversal of expenses and accruals no longer payable	-	452,767
Total expenses from ordinary activities	(728,923)	(1,425,869)
Loss before income tax expense	(44,703)	(818,148)
Income tax expense	-	-
Net loss for the period	(44,703)	(818,148)
Other comprehensive income		
Net change in fair value of available for sale financial assets	74,314	(33,333)
Other comprehensive income for the period, net of tax	74,314	(33,333)
Total comprehensive income / (loss) for the period	29,611	(851,481)
Loss attributable to:		
Members of the parent entity	(44,703)	(818,481)
Total Comprehensive income / (loss) attributable to:		
Members of the parent entity	29,611	(851,481)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company	Cents	Cents
Basic loss per share	(0.01)	(0.13)
Diluted loss per share	(0.01)	(0.13)

The accompanying notes form part of these financial statements.

BROAD INVESTMENTS LIMITED - ABN 91 087 813 090
and Controlled Entities

**CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	31 December 2013 \$	30 June 2013 \$
ASSETS			
Current assets			
Cash & cash equivalents		295,055	305,340
Trade & other receivables		277,003	364,934
Inventories		-	16,634
Financial assets at fair value through profit and loss		1,120	1,232
Financial assets available for sale		105,941	74,579
Total current assets		679,119	762,719
Non-current assets			
Plant and equipment		40,837	43,412
Total non-current assets		40,837	43,412
TOTAL ASSETS		719,956	806,131
LIABILITIES			
Current liabilities			
Overdraft		-	21,267
Trade and other payables		1,152,179	1,123,655
Borrowings		68,026	190,279
Provisions		34,243	32,032
Total current liabilities		1,254,448	1,367,233
TOTAL LIABILITIES		1,254,448	1,367,233
NET (LIABILITIES)		(534,492)	(561,102)
Equity			
Contributed equity		23,961,795	23,964,796
Reserves		74,314	1,146,000
Accumulated losses		(24,570,601)	(25,671,898)
TOTAL EQUITY		(534,492)	(561,102)

The accompanying notes form part of these financial statements.

BROAD INVESTMENTS LIMITED - ABN 91 087 813 090
and Controlled Entities

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Share capital - Ordinary	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1-7-2012	23,305,633	1,179,333	(24,330,765)	154,201
Contributions of equity net of transaction costs	58,500	-	-	58,500
Other comprehensive income	-	(33,333)	-	(33,333)
Loss attributable to members of parent entity	-	-	(818,148)	(818,148)
Balance at 31-12-2012	23,364,133	1,146,000	(25,148,913)	(638,780)
Balance at 1-7-2013	23,964,796	1,146,000	(25,671,898)	(561,102)
Contributions of equity net of transaction costs	(3,001)	-	-	(3,001)
Other comprehensive income	-	74,314	-	74,314
Transfer	-	(1,146,000)	1,146,000	-
Loss attributable to members of parent entity	-	-	(44,703)	(44,703)
Balance at 31-12-2013	23,961,795	74,314	(24,570,601)	(534,492)

The accompanying notes form part of these financial statements.

BROAD INVESTMENTS LIMITED - ABN 91 087 813 090
and Controlled Entities

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Receipts from customers	1,982,145	1,451,452
Payments to suppliers and employees	(1,872,410)	(1,512,010)
Interest received	1,217	1,015
Interest paid	-	(958)
Net cash provided by / (used in) operating activities	110,952	(60,501)
Cash flows from investing activities		
Payment for equity investments	-	(398,651)
Payment for physical non-current assets	(584)	(208)
Proceeds from the disposal of equity investments	22,868	381,385
Net cash provided by / (used in) investing activities	22,284	(17,474)
Cash flows from financing activities		
Proceeds from borrowings	37,439	207,001
Repayments of borrowings	(159,693)	(112,874)
Share issue costs	-	(1,500)
Net cash provided by / (used in) financing activities	(122,254)	92,627
Net increase in cash held	10,982	14,652
Cash at the beginning of the financial period	284,073	233,843
Cash at end of the period	295,055	248,495

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These General Purpose consolidated interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Broad Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued operating losses, negative working capital and negative shareholder funds, as the Group has sufficient cash or access to cash to continue to operate for the foreseeable future and expects to deliver profits in the future. Further, the Company is confident of being able to raise additional funds through any one or a combination of share placement, share purchase plan, rights issue or debt facility for acquisitions which would enhance profitability and cash flow. Further, much of the losses in the last year were associated with a telephony and PABX business expansion which are unlikely to cause a drain on cash flow going forward.

The Directors have prepared a forecast for the foreseeable future reflecting the abovementioned expectations and their effect on the Group. The achievement of the forecast is largely dependent upon the following matters, the outcomes of which are uncertain:

- The ability of the Group to achieve a reasonable return from investing its available cash and for its Mirrus and UBCG divisions to meet their projected sales and the ability of Directors to continue to identify and secure new and complementary value adding products and services to market to our client base via a resellers/channel partner network, to ensure future growth; and
- Whilst there is sufficient cash or access to cash to meet all of the needs of the Group as and when required over the foreseeable future, it is possible that any new acquisitions or working capital requirements of the Group may require additional cash, and therefore dependent on the ability of the Company to raise equity funds via share placements, convertible notes, share purchase plan or rights issues to fund such acquisition to grow the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Going concern (cont.)

In the event that the outcomes of the abovementioned matters are unfavourable, the Directors believe that they have sufficient cash and other assets for the Company to continue to meet its debts as and when they become due and payable. In addition, the Chairman has provided a letter of financial support should the Company ever need it.

In the unlikely event most or every matter referred to above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

Principles of Consolidation

A controlled entity is any entity over which Broad Investments Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

These financial statements are presented in Australian dollars which is the company's functional and presentation currency.

New and Amended Standards

None of the new standards and amendment to standards that are mandatory for the first time for the financial period beginning 1 July 2013 resulted in material adjustments to the amounts recognised in the financial statements. However, AASB 13 Fair Value Measurement, has introduced new disclosures for the interim report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 2 – RESULTS FOR THE PERIOD

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

	31 December 2013	31 December 2012
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Reversal of expenses and accruals no longer payable	-	452,767
Impairment expense	-	(929,324)
Unrealised gain / (loss) on shares	74,314	(2,016)

NOTE 3 – OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- The products sold and/or services provided by the segment;
- The type or class of customer for the products or service;
- The distribution method; and
- External regulatory requirements.

Types of services by segment

Managed services

The managed services segment provides the provision of services to telecommunications and ICT companies.

Telecommunications services

The telecommunications services segment provides the provision of telecommunications equipment and services to all types of customers but has a focus towards small to medium enterprises (SMEs).

Share trading & investments

Trading and investing in ASX listed entities or up-coming floats.

Corporate

A segment that handles corporate and administration matters.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 3 – OPERATING SEGMENTS (Cont.)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Corporate charges are allocated to reporting segments based on an assessment of the overall proportion of work generated by that segment. The Executive Chairman believes this is representative of likely head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

All inter-segment transactions are eliminated on consolidation for the Group's financial statements.

Segment assets

All segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct provisions.

Comparative information

Comparative information has been stated to conform to the requirements of the Standard.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 3 – OPERATING SEGMENTS (Cont.)

Segment performance

As at 31 December 2013	Managed Services	Telecomm- unications	Share Trading & Investments	Corporate	TOTAL
	\$	\$	\$	\$	\$
Revenue					
External sales	1,825,228	84,220	-	-	1,909,448
Inter-segment sales	-	17,025	-	360,000	377,025
Interest revenue	266	-	-	951	1,217
Total segment revenue	1,825,494	101,245	-	360,951	2,287,690
<i>Reconciliation of segment revenue to group revenue</i>					
Inter-segment elimination					(377,025)
Total group revenue					1,910,665
Segment net profit/(loss) before tax	(160,418)	(63,510)	(20,196)	93,367	(150,757)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Inter-segment elimination					106,054
Net loss before tax					(44,703)
<i>Other segment information</i>					
Impairment expense	-	(16,634)	(112)	-	(16,746)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 3 – OPERATING SEGMENTS (Cont.)

Segment performance

As at 31 December 2012	Managed Services	Telecomm- unications	Share Trading & Investments	Corporate	TOTAL
	\$	\$	\$	\$	\$
Revenue					
External sales	1,346,633	117,411	-	-	1,464,044
Inter-segment sales	-	-	-	153,915	153,915
Interest revenue	373	-	-	199,969	200,342
Other income	-	-	-	140	140
Total segment revenue	1,347,006	117,411	-	354,024	1,818,441
<i>Reconciliation of segment revenue to group revenue</i>					
Inter-segment elimination					(353,342)
Total group revenue					1,465,099
Segment net profit/(loss) before tax	1,293,477	(285,037)	(90,317)	(431,605)	486,518
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Inter-segment elimination					(1,304,666)
Net profit/(loss) before tax					(818,148)
<i>Other segment information</i>					
Impairment expense	(450,000)	(124,643)	(92,696)	(261,985)	(929,324)
Reversal of accrued expenses and accruals	2,168,692	-	-	-	2,168,692

BROAD INVESTMENTS LIMITED - ABN 91 087 813 090
and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 3 – OPERATING SEGMENTS (Cont.)

Segment assets

As at 31 December 2013	Managed Services	Telecommu nications	Share Trading & Investments	Corporate	TOTAL
	\$	\$	\$	\$	\$
Segment assets	300,271	46,355	107,061	283,294	736,981
<i>Segment asset increases for the period</i>					
Acquisitions	585	-	-	-	585
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment eliminations					(17,025)
Total group assets					719,956

As at 30 June 2013	Managed Services	Telecommu nications	Share Trading & Investments	Corporate	TOTAL
	\$	\$	\$	\$	\$
Segment assets	397,472	75,811	33,650	299,198	806,131
<i>Segment asset increases for the period</i>					
Acquisitions	-	-	2,825	918	3,743
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment eliminations					-
Total group assets					806,131

Other segment information

Acquisition of plant and equipment	-	-	2,825	918	3,743
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Segment liabilities

As at 31 December 2013	Managed Services	Telecommu nications	Share Trading & Investments	Corporate	TOTAL
	\$	\$	\$	\$	\$
Segment liabilities	889,155	556,182	-	5,778,171	7,223,508
<i>Reconciliation of segment liabilities to group liabilities</i>					
Inter-segment eliminations					(5,969,060)
Total group liabilities					1,254,448

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 3 – OPERATING SEGMENTS (Cont.)

Segment liabilities (cont.)

As at 30 June 2013	Managed Services	Share Trading & Investments	Telecommu- nication Services	Corporate	TOTAL
	\$	\$	\$	\$	\$
Segment liabilities	825,937	18,235	499,639	5,869,504	7,213,315
<i>Reconciliation of segment liabilities to group liabilities</i>					
Inter-segment eliminations					(5,846,082)
Total group liabilities					1,367,233

Geographical segments

The Group operates primarily within Australia.

Major customers

The Group has customers to whom it provides services.

The Group supplies a single external customer in the managed services segment who accounts for 95.56% of external revenue (2012: 90.65%). The next most significant client accounts for 1.05% (2012: 0.67%) of external revenue.

NOTE 4 – INTANGIBLE ASSETS

	31 December 2013	31 December 2012
	\$	\$
At 1 July		
Cost	5,590,458	5,590,458
Accumulated amortisation and impairment	(5,590,458)	(4,691,182)
Net book amount	-	899,276
Half-year ended 31 December		
Opening net book amount	-	899,276
Impairment charge	-	(574,643)
Amortisation	-	(104,633)
Closing net book amount	-	220,000
At 31 December		
Cost	5,590,458	5,590,458
Accumulated amortisation and impairment	(5,590,458)	(5,370,458)
Net book amount	-	220,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 5 - EQUITY SECURITIES ISSUES

Issues of ordinary shares during the half-year	Half-year		Half-year	
	2013 No. of Shares	2012 No. of Shares	2013 \$	2012 \$
Opening balance at 1 July	853,153,033	637,528,033	23,964,796	23,305,633
Issue of shares to directors in lieu of debt	-	30,000,000	-	60,000
Capital raising costs	-	-	(3,001)	(1,500)
Movements during the half-year	-	30,000,000	(3,001)	58,500
Closing balance at 31 December	853,153,033	667,528,033	23,961,795	23,364,133

NOTE 6 – FINANCIAL RISK MANAGEMENT

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed in the first three columns of the tables that follow.

Financial assets	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of financial assets	Gross amounts set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Amounts subject to master netting arrangements	Net amount
2013	\$	\$	\$	\$	\$
Trade and other receivables	781,453	(525,993)	255,460	-	-
Total	781,453	(525,993)	255,460	-	-
2012					
Trade and other receivables	811,310	(463,917)	347,393	-	-
Total	811,310	(463,917)	347,393	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 6 – FINANCIAL RISK MANAGEMENT (Cont.)

Financial liabilities	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of financial liabilities	Gross amounts set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Amounts subject to master netting arrangements	Net amount
2013	\$	\$	\$	\$	\$
Borrowings	68,026	-	68,026	-	-
Total	68,026	-	68,026	-	-
2012					
Borrowings	911,250	-	911,250	-	-
Total	911,250	-	911,250	-	-

NOTE 7 – FAIR VALUE MEASUREMENTS

The group measures and recognises the following assets at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL);
- Available-for-sale financial assets.

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 7 – FAIR VALUE MEASUREMENTS (Cont.)

Fair value hierarchy (cont.)

Recognised fair value measurements

The following table presents the group's assets and liabilities measured and recognised at fair value at 31 December 2013. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new rules.

At 31 December 2013	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Financial assets at FVTPL				
Trading securities	1,120	-	-	1,120
Available-for-sale financial assets				
Trading securities	105,941	-	-	105,941
Total financial assets	107,061	-	-	107,061

At 31 December 2012	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Financial assets at FVTPL				
Trading securities	3,360	-	-	3,360
Available-for-sale financial assets				
Trading securities	134,302	-	-	134,302
Total financial assets	137,662	-	-	137,662

There were no transfers between levels for recurring fair value measurements during the year, and as there are no level 2 or level 3 fair value measurements no valuation techniques have been used.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 8 – KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

NOTE 9 – DISCONTINUED OPERATIONS

There were no discontinued operations during the six months ended 31 December 2013.

NOTE 10 – BUSINESS COMBINATION

There were no acquisitions in the half year ended 31 December 2013.

NOTE 11 - CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2013.

NOTE 12 – CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2013.

NOTE 13 - EVENTS SUBSEQUENT TO BALANCE DATE

There were no significant events subsequent to balance date.

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Broad Investments Limited and its Controlled Entities

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Broad Investments Limited (the company) and its Controlled Entities (the consolidated entity), which comprises the consolidated condensed statement of financial position as at 31 December 2013, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of 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 consolidated entity's financial position as at 31 December 2013 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 Broad Investments Limited and its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Broad Investments Limited and its Controlled Entities is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

We draw attention to Note 1 to the financial statements which describes the uncertainty regarding the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

R. Wong Pitt Gray

ROGER WONG
Partner

Dated this 27th day of February 2014