YONDER & BEYOND

ABN 76 149 278 759

ANNUAL REPORT

30 June 2017

Corporate Directory

Current Directors

Jay Stephenson	*Non-executive Chairman*
Shashi Fernando	*Executive Director, Chief Executive Officer (**CEO**)*
John Bell	*Executive Director, Chief Financial Officer (**CFO**)*
Michael Hynes	*Executive Director, Chief Operating Officer (**COO**)*

Company Secretary

Christopher Shearer

Registered Office

Street:	283 Rokeby Road
	SUBIACO WA 6008
Postal:	Bank House, Level 4, 11 Bank Place
	Melbourne VIC 3000
Telephone:	+61 (0)3 8547 3688
Facsimile:	+61 (0)8 6141 3599
Email:	info@yonderbeyond.com
Website:	www.yonderbeyond.com

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone:	1300 850 505 (investors within Australia)
Telephone:	+61 (0)3 9415 4000
Email:	web.queries@computershare.com.au
Website:	www.investorcentre.com

Securities Exchange

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

Telephone:	131 ASX (131 279) (within Australia)
Telephone:	+61 (0)2 9338 0000
Facsimile:	+61 (0)2 9227 0885
Website:	www.asx.com.au
ASX Code	YNB

Auditors

Bentleys
London House
Level 3, 216 St Georges Terrace
Perth WA 6000

Telephone:	+61 (0)8 9226 4500
Facsimile:	+61 (0)8 9226 4300
Website:	www.bentleys.com.au

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Operations review

1. Company Update

Yonder & Beyond Group Ltd (ASX:YNB) ("Y&B" or the "Company") is pleased to provide an update to its operations for the year end 30 June 2017. Its portfolio of businesses, with a focus on technology and mobile, has performed strongly throughout the year recording growth in transactions and revenue across the portfolio.

For the 2017 Financial Year, the Group achieved:

- Total revenue increase of $155,145 or 4.46% to $3,632,156 (2016: $3,477,011);
- Total expenditure decreased by $3,131,803 or 35.88% to $5,596,395 (2016: $8,728,198); and
- Net profitability increased $3,551,327 or 71.6% to $1,411,039 loss compared to 2016 (2016 Loss: $4,962,366).

The Company's subsidiaries continue to grow while the cost structure has been rationalised as the businesses transition their focus from building their products to delivering to clients. The Company continues its strategic review across all areas of the business and looks forward to providing an update on this to shareholders in the near future.

2. Portfolio Companies

2.1. GOPHR

GOPHR

Gophr's advanced algorithm for scheduling and matching deliveries with couriers has enabled it to grow substantially in 2017. In the 2017 financial year, Gophr's sales have increased 398% compared to 2016.

Focussing on the lucrative B2B sector in the UK, a £7bn market, Gophr is used by 'household name' businesses in the UK to meet their last mile delivery needs.

2.2. BOPPL

Boppl

Boppl, the mobile ordering and payment solution, saw a more than 10 fold increase in revenue during 2017, when compared to 2016.

The success of the business saw it sign up numerous venues, including fast food franchises, as well as developing custom applications for food halls and cafes.

As Boppl increases the volume of transactions that use its system, it expects to be able to open up a new revenue stream in 2018.

2.3. BEYOND MEDIA

BEYOND MEDIA

Operations review

In June 2016, Yonder & Beyond announced the launch of Beyond Media, an advanced virtual reality and content delivery platform. Beyond Media has developed the Y-Hub platform, which allows for the ubiquitous use of any content from 2D/AR and specifically VR content on most of the available VR devices in market. The platform also meets and exceeds the digital rights management (**DRM**) requirements of premium content partners in delivering high definition content via its robust and secure platform. During the 2017 financial year, Beyond Media signed its first agreement with a major PC manufacturer and received first revenues from the platform in September 2017.

2.4. PRISM DIGITAL

prism digital

Prism Digital's successful involvement in the London WinOps and DevOps conferences have helped the company record its best year to date and has furthered its identity as the go-to recruitment consultancy within the highly competitive and sought after DevOps market. Prism Digital's 2017 revenue represents a 12% increase in revenue when compared to 2016, on a like for like currency basis.

Increasing recurring contractor revenue has been core for the business during the 2017 financial year. The company will continue to focus on growing this revenue line in 2018, as well as seeking to improve its gross margin by reviewing its invoice financing.

Directors' report

Your directors present their report on the Group, consisting of Yonder & Beyond Group Limited (**Y&B** or **the Company**) and its controlled entities (collectively **the Group**), for the financial year ended 30 June 2017.

1. Directors

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

Mr Jay Stephenson	Chairman	
Mr Shashi Fernando	Executive Director and CEO	
Mr John Bell	Executive Director and CFO	
Mr Michael Hynes	Executive Director and COO	*(Appointed 23 June 2017)*

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to paragraph 4 Information Relating to the Directors and Company Secretary of this Directors Report.

2. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2017.

3. Operating and financial Review

3.1. Significant Changes in the state of affairs

There were no significant changes in the state of affairs of the Group.

3.2. Nature of Operations and Principal Activities

Y&B is a portfolio of synergistic technology assets with a focus on mobile businesses. Y&B's strategy is to identify and develop disruptive applications with high commercialisation and scalability potential.

Y&B equip start-ups with vital capabilities beyond capital. Y&B's philosophy is to invest in people, as well as invest in their business, so they can both grow and succeed. The Group is dedicated to contributing to the development of businesses through our resources, experience and relationships

3.3. Operations Review (refer Operations review of page 1)

3.4. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of $1,411,039 (2016: $4,962,366 loss).

The net asset deficiency of the Group has decreased by $646,789 to $1,214,057 net asset deficiency at 30 June 2017 (2016: $1,860,846 net asset deficiency).

Subsequent to 30 June 2017, the Company made arrangements with creditors which resulted in improvements to the net asset position of $1,347,506.

As at 30 June 2017, the Group's cash and cash equivalents decreased by $126,972 to $236,899 (2016: $363,871) and had a working capital deficit of $2,036,266 (2016: $1,410,048 working capital deficit), as disclosed in note 18c of the Issued capital note on page 45.

Based on a cash flow forecast, the Group has sufficient working capital to fund its mandatory obligations for the period ending twelve months from the date of this report. Should the Group be unable to raise sufficient funds, the planned technology incubation may have to be amended. The Board is confident in securing sufficient additional funding to fund the Group's operations. In addition, refer to 3.5 Events Subsequent to Reporting Date following.

Directors' report

3.5. Events Subsequent to Reporting Date

As disclosed in Note 25 Events subsequent to reporting date:

1. On 14 July 2017, the Company completed a placement of 13,975,200 Shares raising $560,000. As at 30 June 2017, $282,000 was received from application. These funds were held on trust until completion of the placement.
2. Lenders and creditors agreed to accept the issue of 17,671,601 shares in the Company in exchange for writing off all claims against the Company for amounts owing to them. This amounts to a conversion of $708,747 at $0.04 per share and a debt forgiveness benefit to the Company of $860,953.

The pro forma affect upon the 30 June 2017 net asset deficiency of $1,214,057, would be to reduce the 2017 deficiency by 1,851,700, to a net asset position of $637,643.

There are no other significant after balance date events that are not covered in this Directors' Report section Operations review on page 1 or within the financial statements at Note 25 Events subsequent to reporting date.

3.6. Future Developments, Prospects and Business Strategies

Y&B is involved in a strategic review of its assets and operations with a view to achieving best value outcomes for shareholders.

No other likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations have been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

3.7. Environmental Regulations

The Group's operations are not subject to significant environmental regulations in the jurisdictions it operates in, namely the United Kingdom, United States of America, and Australia.

The Directors have considered the enacted *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

4. Information Relating to the Directors and Company Secretary

Mr Jay Stephenson	Chairman
Qualifications	MBA, FCPA, CMA, FCIS, MAICD
Experience	Mr Stephenson has been involved in business development for over 25 years, including approximately 21 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.
Special responsibilities	Chairman
Interest in Shares and Options	169,859 Fully Paid Ordinary Shares 500,000 Unlisted Options, 20 cents expiring 19 February 2018
Directorships held in other listed entities	Mr Stephenson also holds or has held the following directorships over the past three years: Non-Executive Director of Doray Mining Limited since August 2009 and Nickelore Limited since July 2011. Chairman, Non-Executive Director of Yonder and Beyond Group Limited since February 2011. Non-Executive Director of Blina Minerals Limited since October 2016. In the past three years, Mr Stephenson has been a Non-Executive Director of Veriluma Limited (Parmelia Resources Limited) - May 2014 to October 2016, Bubs Australia Limited (Hillcrest Litigation Services Limited) September 2015 to December 2016, and Condor Blanco Mines Limited (July 2016 to October 2016).
Mr Shashi Fernando	Chief executive officer and Executive director
Qualifications	B Laws, B Comm, ACA

Directors' report

Experience	As a former board member of HTC Corporation, one of the world's leading smartphone manufacturers, and the founder and former CEO of Saffron Digital Ltd which raised £2 million in 2007 and was acquired by HTC in 2011 for £30 million, Mr Fernando is a proven performer in the delivery of world-class mobile solutions. Mr Fernando delivered Saffron into the heart of the mobile and entertainment industry by securing clients such as Vodafone, T-Mobile, Samsung USA, Paramount and Disney to name but a few of the 40 plus global relationships that were established over his time there. Having been named twice in the top 50 in Mobile Entertainment, Mr Fernando led Saffron to multiple industry accolades over the period, delivering a profitable business and 100% growth for three years. Following Saffron Digital, Mr Fernando was appointed to the board of HTC Corporation where he served as the Chief Content Officer responsible for delivering all media related technologies for HTC. Since his time at HTC, Mr Fernando has been an angel investor and moved to bring to market three new digital start-ups that he has now contributed to Y&B. While CEO of Y&B, Mr Fernando co-founded Beyond Media, the state of the art virtual reality and multimedia platform.
Special responsibilities	Chief executive officer
Interest in Shares and Options	24,571,379 Fully Paid Ordinary Shares 4,725,000 Performance Class A Options 3,150,000 Performance Class B Options 3,150,000 Performance Class C Options
Directorships held in other listed entities	None
Mr John Bell	Chief financial officer and Executive director
Qualifications	B Comm, CA, CTA
Experience	Mr Bell is a Chartered Accountant and business professional with international business and financial management expertise and a record of creating value and managing business. Mr Bell's experience ranges from corporate advisory, as director corporate of PKF Lawler, to executive management, where as CFO of Saffron Digital (ranked in the Deloitte Fast 50 in 2010 as one of Europe's fastest growing technology companies), he was part of the management team responsible for the transformation and growth from small start up to multinational, and for managing the sale to HTC, one of the world's leading mobile handset manufacturers, in 2011. Mr Bell combines technical and commercial understanding with experience in operations, financial management, corporate transition and capital raising. He has negotiated contracts with major handset manufacturers and digital content licenses with all major film studios.
Special responsibilities	Chief financial officer
Interest in Shares and Options	3,997,537 Fully Paid Ordinary Shares 2,250,000 Performance Class A Options 1,500,000 Performance Class B Options 1,500,000 Performance Class C Options
Directorships held in other listed entities	None

Directors' report

Mr Michael Hynes	Chief operations officer and Executive director *(Appointed 23 June 2017)*
Qualifications	B Comm, CA, CTA
Experience	Mr Hynes is a finance and business executive with more than 30 years' experience in Capital markets including being Head of Australian Equity Sales at both Citigroup and previously Credit Suisse in Singapore focussing on regional account leadership responsibilities. Mr Hynes is a leader in Investment Banking, Venture Capital, Private Equity and Corporate Finance across APAC and is recognised for building trusted, long standing partnerships. He achieves this through a commitment to delivering authentic, best practice advisory and consulting services to help his clients grow their businesses. Mr Hynes is Executive Director of Red Hill Capital Partners
Special responsibilities	Chief operations officer
Interest in Shares and Options	2,444,800 Fully Paid Ordinary Shares
Directorships held in other listed entities	Former executive director of Ausmex Mining Group Limited (Resigned 24 July 2015)

Mr Christopher Shearer	Company Secretary
Qualifications	BA
Experience	Mr Shearer is a seasoned finance and administration executive with over fifteen years of accounting and finance experience in a number of ASX listed companies. He has held senior accounting and company secretary roles in both private and public sector companies. Mr Shearer served as Head of Operations, Company Secretary and CFO for RXP Services Limited (ASX:RXP). Prior to his role at RXP, Mr Shearer served as the Group Accountant for a listed IT company and worked as a senior finance advisor within Telstra Corporation Limited's Consumer Division.

5. Meetings of Directors and committees

During the financial year six meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Jay Stephenson	5	5								
Shashi Fernando	5	5								
John Bell	5	5								
Michael Hynes	Nil	N/A								

At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.

6. Indemnifying officers or auditor

6.1. Indemnification

The Company has entered an Indemnity, Insurance and Access Deed with each Director. Pursuant to the Deed:

> *The Director is indemnified by the Company against any liability incurred in that capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.*

Directors' report

The Company must keep a complete set of company documents until the later of:

a. The date which is seven years after the Director ceases to be an officer of the Company; and
b. The date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director is involved as a party, witness or otherwise because the Director is or was an officer of the Company (Relevant Proceedings).

The Director has the right to inspect and copy a Company document in connection with any relevant proceedings during the period referred to above.

Subject to the next sentence, the Company must maintain an insurance policy insuring the Director against liability as a director and officer of the Company while the Director is an officer of the Company and until the later of:

a. The date which is seven years after the Director ceases to be an officer of the Company; and
b. The date any Relevant Proceedings commenced before the date referred to above have been finally resolved.

The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer available.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

6.2. Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

7. Options

7.1. Unissued shares under option

At the date of this report, the un-issued ordinary shares of Yonder & Beyond Group Limited under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
20 February 2015	30 November 2017	$0.20	15,000,000
20 February 2015	30 November 2017	$0.25	10,000,000
20 February 2015	31 May 2018	$0.40	10,000,000
20 February 2015	19 February 2018	$0.25	4,785,000
20 February 2015	19 February 2018	$0.20	1,000,000
20 February 2015	30 November 2017	$0.20	1,500,000
24 September 2015	31 December 2017	$0.30	500,000
24 September 2015	31 December 2018	$0.35	500,000
24 September 2015	31 December 2018	$0.40	1,000,000
24 September 2015	31 December 2018	$0.60	1,000,000
			45,285,000

No person is entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

7.2. Shares issued on exercise of options

No ordinary shares were issued by the Company as a result of the exercise of options during or since the end of the financial year.

8. Non-audit services

During the year, Bentleys, the Company's auditor, did not perform any services other than their statutory audits (2016: $nil). Details of remuneration paid to the auditor can be found within the financial statements at Note 4 Auditors' Remuneration.

Directors' report

In the event that non-audit services are provided by Bentleys, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth). These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

9. Proceedings on behalf of company

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.

10. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2017 has been received and can be found on page 16 of the annual report.

11. Remuneration report (audited)

The information in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).

11.1. Key management personnel (**KMP**)

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company and key executive personnel:

- Mr Jay Stephenson — *Chairman*
- Mr Shashi Fernando — *Executive Director and CEO (Appointed 17 October 2014)*
- Mr John Bell — *Executive Director and CFO (Appointed on 20 February 2015)*
- Mr Michael Hynes — *Executive Director and COO (Appointed on 23 June 2017)*

As at 30 June 2016, Mr Mahmood Dhala and Mr Peter Sedeffow were no longer persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, as a result of changes in the direction of the Group since initially listing as Yonder and Beyond Group in early 2015. Nor are Messrs Dhala and Sedeffow directors of the Company. As such Messrs Dhala and Sedeffow are not KMP for the year ended 30 June 2017.

11.2. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board ensures that Director and executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive, based on a review of similar company remuneration policies, and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- focuses on sustained growth in share price and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;
- attracts and retains high calibre executives;
- rewards capability and experience;
- reflects competitive reward for contribution to shareholder growth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

Directors' report

11. Remuneration report (audited) continued

a. Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

The remuneration is currently set at commercially reasonable / appropriate / benchmarked level. Upon acquisition of Yonder and Beyond, KMP of Yonder and Beyond (and certain staff) received incentive options in which will only be of value if the Company's share price increased sufficiently to warrant exercising the incentive options. Since listing the Company has recorded losses due to the nature of its principal activities, and no dividend has been paid.

Bonuses will be paid based on clarification on KMP performance not on financial performance at the discretionary of the Board. The practices of negotiation and annual review of Executive Directors' and KMP's performance and remuneration are carried out throughout the year, in an informal way by the Managing Director who makes recommendations to the Board. The Chairman of the Board who makes recommendations to the full Board undertakes, in an informal way, the review of the Managing Director's performance and remuneration.

The Board will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director and/or KMP. At these meetings, the particular Director and/or KMP will declare his/her interest and not vote, and he/she will depart from the meeting, so as not to be present whilst the issue is being discussed

b. Non-executive Directors

Fees and payments to Non-Executive Directors reflect their responsibilities and the demands placed on individual Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board seeks to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

Non-Executive Directors' fees are determined within the Non-Executive Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool currently stands at $250,000 per annum for Non-Executive Directors.

c. Fixed Remuneration

Fixed remuneration consists of base remuneration as well as employer contributions to superannuation funds. Remuneration levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external consultants provide analysis and advice to ensure the directors' and senior executives' remuneration is competitive in the market place. During the period no such consultant was used and no senior executive's other than directors were employed.

d. Performance Based Remuneration – Short-term and long-term incentive structure

Upon acquisition of Yonder and Beyond limited, the Group adopted a performance based option plan that is intrinsically linked to maximising shareholder wealth. Details of these options can be found at Note 20b.i.

- Short-term incentives

  No short-term incentives in the form of cash bonuses were granted during the year.

- Long-term incentives

  The Board has a policy of granting incentive options to executives with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

  The directors of the Company are not eligible to participate in the "Yonder & Beyond Group Limited Employee Incentive Option Plan".

e. Service Contracts

Remuneration and other terms of employment for the directors and KMP are formalised in contracts of employment, details of which can be found at 11.4 of the Directors report.

f. Engagement of Remuneration Consultants

During the financial year, the Company did not engage any remuneration consultants.

g. Relationship between Remuneration of Key Management Personnel and Earnings

As discussed above, the Group is currently undertaking technology incubation and it is the assets of the company that are expected to become profitable operations with the parent realising profits through material asset sales. The Board does not currently consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

Directors' report

11. Remuneration report (audited) continued

11.3. Remuneration Details for the Year Ended 30 June 2017

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses. The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group.

2017	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Termination benefits	Total
Group Key Management Person	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$		$	$	$
Jay Stephenson[(1)]	50,000	-	-	-	4,750	-	-	-	-	54,750
Shashi Fernando[(2)]	165,875	-	-	-	-	-	-	-	-	165,875
John Bell[(3)]	168,423	-	-	-	-	-	-	-	-	168,423
Michael Hynes	2,877	-	-	-	-	-	-	-	-	2,877
	387,175	-	-	-	4,750	-	-	-	-	391,925

(1) In respect to Mr Stephenson's 2017 remuneration, no fees have been settled in cash. The balance of the Mr Stephenson 2016 and 2017 remuneration of $113,728 remained accrued and payable as a loan to the Company. Subsequent to year end, Mr Stephenson agreed to accept the issue of 1,960,788 shares in exchange for writing off any claim against the company on amounts owing to him to 31 May 2017. This amounts to a conversion of $78,431 at $0.04 and a debt forgiveness benefit to the Company of $52,288.

(2) Subsequent to year end, on 19 September 2017, Mr Fernando agreed to accept the issue of 1,632,165 shares in the Company in exchange for writing off any claim against the company for amounts owing to him. This amounts to a conversion of $65,287 at $0.04 per share and a debt forgiveness benefit to the Company of $157,044.

(3) In respect to Mr Bell's 2017 remuneration, no fees have been settled in cash. The balance of the Mr Bell's 2016 and 2017 remuneration of $349,228 remains accrued and payable (including 2015 amounts disclosed in Note 21 Key management personnel compensation incurred prior to the reverse acquisition of the Company). The amounts outstanding in relation to Mr Bell are payable to Dromana Holdings Pty Ltd as trustee for the Barringtons Trust (see directors remuneration note 11.4.a) not Mr Bell. Amounts outstanding up to 31 May 2017 are subject to a deed of settlement as disclosed in Note 25.

2016	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Termination benefits	Total
Group Key Management Person	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$		$	$	$
Jay Stephenson[(1)(2)]	46,229	-	-	-	6,626	-	-	-	-	52,855
Shashi Fernando[(3)]	272,541	-	-	-	-	-	-	-	-	272,541
John Bell[(4)]	200,877	-	-	-	-	-	-	-	-	200,877
Mahmood Dhalla	229,291	-	23,585	-	-	-	-	-	-	252,876
Peter Sedeffow	236,580	-	-	-	-	-	-	-	-	236,580
Stephane Oury[(5)]	50,877	-	-	-	-	-	-	-	-	50,877
	1,036,395	-	23,585	-	6,626	-	-	-	-	1,066,606

(1) On 11 August 2011, the Company engaged Wolfstar Corporate Management Pty Ltd (**Wolfstar**) to appoint Mr Stephenson as CFO. Wolfstar was a related party of the Company by virtue of it formerly being jointly controlled by Mr Stephenson. Mr Stephenson was appointed Company Secretary on 30 July 2014. Mr Stephenson is no longer CFO but is the Company Chairman. Please refer to Note 22 Related Party Transactions for further details.

(2) In respect to Mr Stephenson's 2016 remuneration, no fees have been settled in cash. The balance of the Mr Stephenson's remuneration of $65,513 remained accrued and payable as a loan to the Company.

(3) In respect to Mr Fernando's 2016 remuneration, $101,282 was received in cash. The balance of the Mr Fernando's 2015 and 2016 remuneration of $300,576 remained accrued and payable (including 2015 amounts disclosed in Note 21 Key management personnel compensation incurred prior to the reverse acquisition of the Company). As detailed above, subsequent to 2017 year end, on 19 September 2017, Mr Fernando agreed to accept the issue of 1,632,165 shares in the Company in exchange for writing off any claim against the company for amounts owing to him.

Directors' report

11. Remuneration report (audited) continued

(4) In respect to Mr Bell's 2016 remuneration, no fees have been settled in cash. The balance of the Mr Bell's 2015 and 2016 remuneration of $349,228 remains accrued and payable (including 2015 amounts disclosed in Note 21 Key management personnel compensation incurred prior to the reverse acquisition of the Company). The amounts outstanding in relation to Mr Bell are payable to Dromana Holdings Pty Ltd as trustee for the Barringtons Trust (see directors remuneration note 11.4.a) not Mr Bell.

(5) In respect to Mr Oury, for the 2016 financial year, number of remuneration is up to the date of date of resignation, 28 September 2015.

11.4. Service Agreements

a. Executive services agreements with CEO and CFO

Y&B has entered in to executive service agreements (**ESA**) with Mr Fernando (individually), and Mr Bell through Dromana Holdings Pty Ltd as trustee for the Barringtons Trust (**Bell**).

ESAs have been made between each Mr Fernando and Mr Bell's related entities and Y&B on the following bases:

- Mr Fernando is employed by Y&B as the Chief Executive Officer of the Y&B Group on a full-time basis.
- Mr Bell is employed by Y&B as the Chief Financial Officer of the Y&B Group and to carry out duties commensurate with that office or as assigned by the Company from time to time.
- The effective commencement date of each ESA is 24 February 2014, and varied 4 June 2014.
- The gross annual remuneration package for Mr Fernando is £132,000 per annum, payable in monthly instalments. These instalments ceased payment on 31 March 2017.
- The gross annual service fee for Mr Bell (Bell) is £100,000 per annum, payable in monthly instalments.
- The Remuneration will be reviewed by the Board annually in accordance with the Company's policies and procedures.
- Mr Fernando and Mr Bell will be eligible to participate in any short term and long term incentive arrangements operated or introduced by the Company or a Group Company from time to time:
  - In accordance with the terms and conditions governing those arrangements;
  - As determined or varied (including in respect of the form of any benefit provided to the executive) at the discretion of the board from time to time
- Y&B will reimburse all reasonable expenses incurred by Messrs Fernando or Bell for all reasonable out-of-pocket expenses.
- The ESAs shall continue until terminated by either party giving to the other not less than six months prior written notice.
- Y&B may terminate an ESA if the employee is in material breach of the ESA.
- ESA includes provisions protecting the intellectual property rights of the Company including in respect of any inventions and includes non-compete restrictions for a period of twelve months after termination.

b. Contract with Mr Michael Hyne

Mr Hynes is a director of Y&B. He will enter into a contract with the Company effective the date of his appointment, with remuneration of $150,000 per annum.

Directors' report

11. Remuneration report (audited) continued

11.5. Share-based compensation

a. Management Performance Options (**Performance Options**)

In recognition of the incentive scheme options held by Management Shareholders of Yonder as at acquisition date, the Company elected to replace them by issuing to the management shareholders (or their respective nominees) 35,000,000 options (Performance Options) (on a post-consolidation basis). Of the total 35,000,000 Performance Options, KMP were issued a total 23,450,000 subject to the terms and conditions set out in below:

Tranche	Number under Option[5][6][7]	Date of Expiry	Exercise Price[5][7]	Vesting Terms[2][3][4]	Escrow[1]
Tranche 1	10,050,000	30 November 2017	$0.20	Immediately upon issue	25% for a period of 3 months from the date of issue
Tranche 2	6,700,000	30 November 2017	$0.25	Upon the five day volume weighted average share price (**VWAP**) of the Company being equal to or in excess of $0.50 per share	25% for a period of 6 months from the date of issue
Tranche 3	6,700,000	31 May 2018	$0.40	Upon the five day VWAP of the Company being equal to or in excess of $0.80 per share	50% for a period of 12 months from the date of issue
	23,450,000				

(1) Subject to any longer escrow period that ASX may impose.

(2) Subject to the beneficiary of the Performance Options being either (1) in continuous employment/service agreement with Y&B and/or the Company or (2) not a Bad Leaver;

(3) The parties shall agree Good Leaver and Bad Leaver provisions as part of implementing the transaction.

(4) The Performance Options are exercisable at any time from when they vest, to on or before 5.00pm (AWST) on their expiry date wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.

(5) There will be no change to the exercise price of a Performance Option or the number of Shares over which a Performance Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a bonus issue, see further below).

(6) If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(7) If, prior to the expiry of any Performance Options, there is a reorganisation of the issued capital of the Company, the Performance Options shall be reorganised in the manner set out in the Listing Rules.

b. Securities Received that Are Not Performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

c. Options and Rights Granted as Remuneration

No options or rights were granted as remuneration during 2017 (2016: nil).

Details relating to service and performance criteria required for vesting have been provided in the within the financial statements at Note 20 Share-Based Payments.

Directors' report

11. Remuneration report (audited) continued

11.6. Key Management Personnel equity holdings

a. Fully paid ordinary shares of Yonder & Beyond Group Limited held by each Key Management Personnel

2017 – Group *Group Key Management Person*	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Balance at end of year No.
Jay Stephenson	169,859	-	-	-	169,859
Shashi Fernando[(1)]	20,471,379	-	-	4,100,000	24,571,379
John Bell[(2)]	2,251,017	-	-	1,746,520	3,997,537
Michael Hynes[(3)]	-	-	-	2,444,800	2,444,800
	22,892,255	-	-	8,291,320	31,183,575

(1) As announced to the ASX on 31 December 2015, Mr Fernando entered into an interest free draw down debt instrument with the Company to be converted at the price of the next capital raising or a 20% discount to the 5 day Volume Weighted Average Price of the stock if not converted prior to 30 June 2016 (**Convertible Note**) subject to approval of shareholders. On 7 April 2016 the Company announced to the ASX that Mr Fernando agreed to convert the draw down portion of the convertible note facility entered into in December 2015 and that the price for conversion be fixed at $0.08 rather than at 20% discount to the 5 day VWAP market price as per the agreement. As at 7 April 2016, the Company had drawn down $473,314 of this convertible note facility. Approval to issue Shares in satisfaction of this debt was obtained from Shareholders at the General Meeting held on 31 May 2016, however, the Company did not issues these Shares and the debt remains outstanding. The Company received approval on 30 November 2016 for the issue of 4,100,000 Shares to satisfy $328,000 of the amount outstanding. The shares were issued on 28 December 2016.

(2) On 30 November 2016 the Company received approval to issued 1,726,520 shares to Mr Bell in satisfaction of a debt owing by the Company to Mr Bell. The shares were issued on 28 December 2016.

(3) Other changes during the year in respect to Mr Hynes relate the balance of shares held by Mr Hynes on appointment as a Director to the Company.

2016 – Group *Group Key Management Person*	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Balance at end of year No.
Jay Stephenson[(1)]	194,796	-	-	(24,937)	169,859
Shashi Fernando[(2)]	20,246,380	-	-	224,999	20,471,379
John Bell	2,251,017	-	-	-	2,251,017
Mahmood Dhalla	400,142	-	-	-	400,142
Peter Sedeffow	-	-	-	-	-
Stephane Oury[(3)]	1,138,524	-	-	-	1,138,524
	24,230,859	-	-	200,062	24,430,921

(1) Other changes during the year for Mr Stephenson relate to a correction in the holding number of share.

(2) Other changes during the year relate to acquisitions and disposals for Directors and their related parties

(3) Balance at the end of year represents Mr Oury's number of shares held as the date of his resignation

Directors' report

11. Remuneration report (audited) continued

b. Options in Yonder & Beyond Group Limited held by each Key Management Personnel

2017 Group Key Management Person	Balance at start of year No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Jay Stephenson	500,000	-	-	-	500,000	500,000	-
Shashi Fernando	11,025,000	-	-	-	11,025,000	2,756,250	8,268,750
John Bell	5,250,000	-	-	-	5,250,000	1,312,500	3,937,500
Michael Hynes					-	-	-
	16,775,000	-	-	-	16,775,000	4,568,750	12,206,250

2016 Group Key Management Person	Balance at start of year No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and Exercisable No.	Not Vested No.
Jay Stephenson	500,000	-	-	-	500,000	500,000	-
Shashi Fernando	11,025,000	-	-	-	11,025,000	2,756,250	8,268,750
John Bell	5,250,000	-	-	-	5,250,000	1,312,500	3,937,500
Mahmood Dhalla	3,150,000	-	-	-	3,150,000	787,500	2,362,500
Peter Sedeffow	-	-	-	-	-	-	-
Stefan Oury(1)	4,025,000	-	-	-	4,025,000	4,025,000	-
	23,950,000	-	-	-	23,950,000	9,381,250	14,568,750

(1) Balance at the end of year represents Mr Oury's number of shares held as the date of his resignation, 28 September 2015.

11.7. Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

11.8. Loans to Key Management Personnel

There are no loans made to directors of Y&B as at 30 June 2017 (2016: nil).

11.9. Loans from Key Management Personnel

As at 30 June 2017, the Group had the following loans outstanding with KMP

Group Key Management Person	2017 $	2016 $
Jay Stephenson(1)	113,728	65,513
Shashi Fernando (including other payables)(2)	127,539	656,278
John Bell	-	138,122
Michael Hynes	-	-
	241,267	859,913

(1) Subsequent to year end, Mr Stephenson agreed to accept the issue of 1,960,788 shares in exchange for writing off any claim against the company on amounts owing to him to 31 May 2017. This amounts to a conversion of $78,431 at $0.04 and a debt forgiveness benefit to the Company of $52,288.

(2) Subsequent to year end, on 19 September 2017, Mr Fernando agreed to accept the issue of 1,632,165 shares in the Company in exchange for writing off any claim against the company for amounts owing to him. This amounts to a conversion of $65,287 at $0.04 per share and a debt forgiveness benefit to the Company of $157,044.

Directors' report

11. Remuneration report (audited) continued

11.10. Other transactions with Key Management Personnel and or their Related Parties

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with related parties, refer Note 22 Related party transactions.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

JAY STEPHENSON
Chairman
Dated this Friday, 29 September 2017

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Yonder and Beyond Group Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 29th day of September 2017

Consolidated statement of profit or loss and other comprehensive income
for the year ended 30 June 2017

	Note	2017 $	2016 $
Continuing operations			
Revenue	2	3,632,156	3,477,011
Share of associate profit / (loss)	14b.i	-	(317,966)
Other income	2	566,725	599,524
		4,198,881	3,758,569
Costs of sales		(2,454,981)	(2,151,121)
		1,743,900	1,607,448
Business development		(278,134)	(536,979)
Compliance costs		(253,555)	(333,509)
Computers and communications		(63,335)	(84,169)
Depreciation and amortisation	3a	(13,778)	(30,077)
Employee benefits expenses	3b	(2,130,284)	(3,739,773)
Finance costs		(8,010)	(1,998)
Impairment	3c	(52,167)	(1,426,628)
Professional fees		(40,203)	(14,826)
Rent and utilities		(236,092)	(310,847)
Other expenses		(65,856)	(98,271)
Loss before tax	3	(1,397,514)	(4,969,629)
Income tax benefit / (expense)	6	(13,525)	7,263
Loss from continuing operations		(1,411,039)	(4,962,366)
Net loss for the year		(1,411,039)	(4,962,366)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		(46,271)	76,766
Financial assets revaluation		-	(165,946)
Other comprehensive income for the year, net of tax		(46,271)	(89,180)
Total comprehensive income attributable to members of the parent entity		(1,457,310)	(5,051,546)
Profit/(loss) for the period attributable to:			
Non-controlling interest		(39,341)	(505,022)
Owners of the parent		(1,371,698)	(4,457,344)
Total comprehensive income/(loss) attributable to:			
Non-controlling interest		(39,322)	(505,022)
Owners of the parent		(1,417,988)	(4,546,524)
Earnings per share:		¢	¢
Basic and diluted loss per share (cents per share)	5	(1.29)	(6.00)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 30 June 2017

	Note	2017 $	2016 $
Current assets			
Cash and cash equivalents	7	236,899	363,871
Trade and other receivables	8	765,564	654,019
Financial assets	10a	-	454,366
Other current assets		11,613	21,245
Non-current asset held for disposal	9	-	1,807
Total current assets		1,014,076	1,495,308
Non-current assets			
Plant and equipment	11	9,201	18,392
Intangible assets	12	553,008	28,024
Financial assets	10	260,000	271,276
Investments in associates	14b.ii	-	-
Total non-current assets		822,209	317,692
Total assets		1,836,285	1,813,000
Current liabilities			
Trade and other payables	15	2,664,272	2,782,827
Short-term provisions	17	26,977	52,899
Current tax liabilities	6d	44,532	38,714
Borrowings	16a	314,561	30,916
Total current liabilities		3,050,342	2,905,356
Non-current liabilities			
Borrowings	16b	-	768,490
Total non-current liabilities		-	768,490
Total liabilities		3,050,342	3,673,846
Net assets		(1,214,057)	(1,860,846)
Equity			
Issued capital	18a	15,457,337	13,092,199
Reserves	19	(4,777,246)	(4,730,956)
Accumulated losses		(10,965,267)	(9,593,569)
Non-controlling interest		(928,881)	(628,520)
Total equity		(1,214,057)	(1,860,846)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2017

	Note	Issued Capital $	Accumulated Losses $	Business Combination under Common Control $	Foreign Exchange Translation Reserve $	Financial assets revaluation reserve $	Option Reserve $	Non-controlling Interest (NCI) $	Total $
Balance at 1 July 2015		12,378,195	(5,136,225)	(4,701,018)	(236,046)	165,946	-	(236,462)	2,234,390
Loss for the year attributable owners of the parent		-	(4,457,344)	-	-	-	-	(505,022)	(4,962,366)
Other comprehensive income for the period attributable owners of the parent		-	-	-	76,766	(165,946)	-	-	(89,180)
Total comprehensive income for the year attributable owners of the parent		-	(4,457,344)	-	76,766	(165,946)	-	(505,022)	(5,051,546)
Transaction with owners, directly in equity									
Shares issued during the year	18a	714,004	-	-	-	-	-	-	714,004
Transaction costs		-	-	-	-	-	129,342	-	129,342
NCI upon acquisition of subsidiary		-	-	-	-	-	-	156,044	156,044
Business combinations under common control		-	-	-	-	-	-	(43,080)	(43,080)
Balance at 30 June 2016		13,092,199	(9,593,569)	(4,701,018)	(159,280)	-	129,342	(628,520)	(1,860,846)
Balance at 1 July 2016		13,092,199	(9,593,569)	(4,701,018)	(159,280)	-	129,342	(628,520)	(1,860,846)
Loss for the year attributable owners of the parent		-	(1,371,698)	-	-	-	-	(39,341)	(1,411,039)
Other comprehensive income for the year attributable owners of the parent		-	-	-	(46,290)	-	-	19	(46,271)
Total comprehensive income for the year attributable owners of the parent		-	(1,371,698)	-	(46,290)	-	-	(39,322)	(1,457,310)
Transaction with owners, directly in equity									
Shares issued during the year	18a	2,083,138	-	-	-	-	-	-	2,083,138
Share application fund received	18a	282,000	-	-	-	-	-	-	282,000
NCI upon acquisition of subsidiary		-	-	-	-	-	-	16,500	16,500
NCI upon liquidation of a subsidiary	7f	-	-	-	-	-	-	(277,539)	(277,539)
Balance at 30 June 2017		15,457,337	(10,965,267)	(4,701,018)	(205,570)	-	129,342	(928,881)	(1,214,057)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the year ended 30 June 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers		4,473,437	5,121,781
Interest received		324	1,559
Interest and borrowing costs		(8,010)	(1,998)
Payments to suppliers and employees		(6,059,885)	(7,361,697)
Income tax expense		-	(11,171)
Net cash used in operating activities	7c	(1,594,134)	(2,251,526)
Cash flows from investing activities			
Payments for property, plant, and equipment		-	(6,987)
Payments for intangible assets		(536,121)	(9,747)
Cash (disposed of)/acquired on acquisition or disposal of subsidiary	7f	(287)	13
Loans provided to investee companies		-	(18,307)
Proceed from investments		152,671	277,184
Net cash used in investing activities		(383,737)	242,156
Cash flows from financing activities			
Net proceeds from issue of shares after costs		1,899,018	714,047
Loans from related entities		-	598,952
Repayment of borrowings		(28,034)	-
Net cash provided by financing activities		1,870,984	1,312,999
Net increase/(decrease) in cash held		(106,887)	(696,371)
Cash and cash equivalents at the beginning of the year		363,871	1,088,305
Change in foreign currency held		(20,085)	(28,063)
Cash and cash equivalents at the end of the year	7	236,899	363,871

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

These are the consolidated financial statements and notes of Yonder & Beyond Group Limited (**Y&B** or **the Company**) and controlled entities (collectively **the Group**). Y&B is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of Y&B, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

The financial statements were authorised for issue on 29 September 2017 by the directors of the Company.

a. Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

ii. Going concern

The consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of $1,411,039 (2016: $4,962,366 loss) and a net cash out-flow from operating activities of $1,594,134 (2016: $2,251,526 out-flow). As at 30 June 2017, the Company a working capital deficit of $2,036,266 (2016: $1,410,048 working capital deficit), as disclosed in note 18c of the Issued capital note.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The Directors have prepared a cash flow forecast for the period ending 30 September 2018, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. In particular the Group:

1. Subsequent to year end approval from shareholders was obtained which will result in $708,747 of creditors being settled by the issue of shares and the forgiveness of a further $860,953 of loans and payables.
2. Is currently in negotiations for external investment in some of its entities, including Gophr and Boppl, which will result in the company no longer needing to fund the operations of those entities;
3. Is in negotiations to raise additional funds from either debt or equity funding arrangements by the end of November 2017; and
4. Has received its first royalty payment through its subsidiary Beyond Media Limited of USD250,000 and expects to receive future royalties from this contract.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the Directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

iii. Reverse acquisition

Y&B is listed on the Australian Securities Exchange (**ASX**). The Company completed the legal acquisition of Yonder and Beyond Limited (**Yonder**) on 20 February 2015.

Yonder (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer Y&B (accounting subsidiary). Accordingly, the consolidated financial statements of Y&B have been prepared as a continuation of the financial statements of Yonder. Yonder (as the deemed acquirer) has accounted for the acquisition of Y&B from 20 February 2015.

iv. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1s.

v. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

b. Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2017 but determined that their application to the financial statements is either not relevant or not material.

c. Principles of consolidation

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).

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss

Note 1 Statement of significant accounting policies

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 13 Controlled Entities of the financial statements.

iii. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, than such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained

iv. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

d. Foreign currency transactions and balances

i. Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

ii. Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

iii. Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

e. Taxation

i. Income tax

The income tax expense / (income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Where the Group receives a governmental research and development tax incentive, The Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return and disclosed as such in Note 6 Income Tax.

ii. Value-added taxes

Value-added tax (**VAT**) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (Goods and Services Tax or **GST**); United Kingdom (VAT); and in Singapore (VAT).

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT 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 statement of financial position are shown inclusive of VAT.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (or jurisdictional equivalent) is included as a current asset or liability in the balance sheet.

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

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

f. Fair Value

i. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

ii. Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

iii. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

g. Plant and equipment

i. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1k Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

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

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

ii. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

iii. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

	2017 %	2016 %
Plant and equipment	25.00 to 66.67	25.00 to 66.67

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

h. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see Note 1c.i) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (**CGU**) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at Note 1m below.

i. Intangible assets and amortisation

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of three years.

j. Non-current assets held for disposal

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversals of impairment recognised on classification as held for sale or prior to such classification are recognised as a gain in profit or loss in the period in which it occurs.

k. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy 1e) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

l. Financial instruments

i. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

iii. Classification and Subsequent Measurement

- *Cash and cash equivalents*
  Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

- *Loans*
  Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

  Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

- *Trade and other receivables*
  Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Note 1 Statement of significant accounting policies

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts (see also 1l.vii).

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

v. Fair value

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

vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

ix. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

m. Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

n. Employee benefits

i. Short-term benefits

Liabilities for employee benefits for wages, salaries, National Insurance, superannuation, and leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax. Liabilities for employee benefits expected to be settled in excess of the 12 months from reporting date are recognised as non-current liabilities. Due to the age of the Group, no such liabilities are currently recognised in the Group.

National Insurance (**NICs**) is a system of contributions paid by workers and employers towards the cost of certain state benefits in the United Kingdom. It is contributory system of insurance against illness and unemployment, retirement pensions, and other benefits

Non-accumulating non-monetary benefits, such as medical care, housing and relocation costs, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

ii. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

iii. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

iv. Equity-settled compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

o. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

p. 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 transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

q. Revenue and other income

Interest revenue is recognised in accordance with note 1l.ix Finance income and expenses.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of value added taxes (note 1e.ii Value-added taxes).

r. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

s. Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

i. Key judgements and estimates – Intellectual Property - Software

Intangible assets include the Group's aggregate amounts spent on computer software development costs.

In determining the development expenditures to be capitalised, the Group makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development expenditures. Other important estimates and assumptions in this assessment process are the distinction between R&D and the estimated useful life.

Development costs associated with intangible assets are only capitalised by the Group when it can demonstrate the technical feasibility of completing the asset so that the asset will be available for use or sale, how the asset will generate future economic benefits and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs in respect to software are internally generated, and have a finite useful life. The amortisation method is line over the period of the expected benefit, being 3 years. Impairment testing is undertaken when impairment indicators exist.

ii. Key Estimate – Taxation

Refer Note 6 Income Tax.

iii. Key judgements and estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

iv. Key Estimate – Impairment of Goodwill

Refer Note 12c.

v. Key judgements and estimates – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 20 Share-based payments.

t. New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations (**AASB**) issued by the Australian Accounting Standards Board (AASB Board) that are mandatory for the current reporting period.

Any new, revised or amending AASBs that are not yet mandatory have not been early adopted.

The adoption of these AASBs did not have any significant impact on the financial performance or position of the Group.

u. New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

i. AASB 9 *Financial Instruments and associated Amending Standards* (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The Directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 1 Statement of significant accounting policies

ii. AASB 15 *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

iii. AASB 16: *Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

The Directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures).

iv. Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

v. **Adjustments made subsequent to the lodgement of the ASX Appendix 4E**

Subsequent to the lodgement of the ASX Appendix 4E:

i. Loss after tax decreased by $24,052 due to:

- Reductions in Other Income of $263,860; and
- Increases in Income Tax Expense of $13,525,

which were offset by:

- Reductions in Business Development expenses of $41,108, and .
- Reductions in Employment Costs of $263,499

Other immaterial changes amounted to $3,168

ii. Net asset deficiency decreased (improvement to net assets) by $302,375 due to:

- Increases in intangible assets of $263,498;
- Decreases to Trade and Other Payables of $55,803;
- Increases in Current Tax Liabilities of $13,474.

Other immaterial changes amounted to $3,351.

The changes included the increase in Net Issued Capital of $281,999 for funds received in advance of shares being issued in July 2017.

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 2 Revenue and other income

	Note	2017 $	2016 $
a. Revenue			
Sales		3,615,041	3,301,161
External management fees		-	157,500
Interest revenue		17,115	18,350
Total revenue		3,632,156	3,477,011
b. Other Income			
Foreign exchange (loss)/gain		(14)	11,793
Fair valuation on deemed disposal and acquisition of associate		-	124,043
Gain of liquidation of subsidiary	7f(3)	586,049	-
Loss on disposal of investments		(302,971)	(20,414)
Research and development grant income		278,329	461,327
Other income		5,332	22,775
Total Other Income		566,725	599,524

Note 3 Loss before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

	2017 $	2016 $
a. Depreciation and amortisation:		
Depreciation and amortisation of plant and equipment	4,366	8,692
Amortisation of intangibles	9,412	21,385
	13,778	30,077
b. Employment costs:		
Contractors and consultants	282,907	1,033,242
Directors fees	9,514	55,000
Decrease in employee benefits provisions	(4,245)	(92,447)
Superannuation and National Insurance Contributions	170,180	240,299
Wages and salaries	1,581,205	2,426,017
Other employment related costs	90,723	77,662
	2,130,284	3,739,773
c. Impairment:		
Goodwill	-	889,266
Financial assets – available for sale	-	269,320
Financial asset	-	224,635
Other assets	52,167	43,407
	52,167	1,426,628

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 4 Auditors' remuneration

	2017 $	2016 $
Remuneration of the auditors of the Group for:		
Auditing or reviewing the financial reports		
Moore Stephens	-	38,054
Bentleys	71,510	27,000
	71,510	65,054
Non-audit servicers:	-	-
	71,510	65,054

Note 5 Earnings per share (EPS)

	Note	2017 $	2016 $
a. Reconciliation of earnings to profit or loss			
(Loss) / profit for the year		(1,411,039)	(4,962,366)
Less: loss attributable to non-controlling equity interest		(39,341)	(505,022)
(Loss) / profit used in the calculation of basic and diluted EPS		(1,371,698)	(4,457,344)

	2017 No.	2016 No.
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	106,290,011	74,240,832

	Note	2017 ¢	2016 ¢
c. Earnings per share			
Basic EPS (cents per share)	5d	(1.29)	(6.00)

d. The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the 2017 financial year, the Group had 45,285,000 unissued shares under options that were out of the money which are anti-dilutive (2016: 45,285,000).

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 6 Income tax

	Note	2017 $	2016 $
a. Income tax expense / (benefit)			
Current tax		13,525	-
Deferred tax		-	(7,263)
		13,525	(7,263)
Deferred income tax expense included in income tax expense comprises:			
Increase / (decrease) in deferred tax assets	6e	185,556	1,890
(Increase) / decrease in deferred tax liabilities	6f	(185,556)	(1,890)
		-	-
b. Reconciliation of income tax expense to prima facie tax payable			
The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax on operating loss at 27.5% (2016: 30%)		(384,316)	(1,490,889)
Add / (Less) tax effect of:			
Assessable/(non-assessable) income		4,871	(504,068)
Non-deductible expenses		256,851	744,757
International tax rate differences		(5,072)	269,553
Deferred tax asset not brought to account		27,310	973,339
Change in Australian income tax rate		125,216	
Other		(11,335)	45
Income tax expense / (benefit) attributable to operating loss		13,525	(7,263)
		%	%
Applicable weighted average effective tax rates attributable to operating profit		nil	nil
		$	$
Balance of franking account at year end		nil	nil
c. Current tax assets			
Current tax asset		-	-
		-	-
d. Current tax liabilities			
Current tax liabilities		44,532	38,714
		44,532	38,714

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 6 Income tax (cont.)

	Note	2017 $	2016 $
e. Deferred tax assets			
Payables, accrued expenses, and provisions		102,507	104,629
Intangibles		212,673	522,346
Revaluation of investments		-	149,132
Other		108,105	138,701
Tax losses		1,697,443	1,142,200
		2,120,728	2,057,008
Set-off deferred tax liabilities	6f	(185,556)	(1,890)
Net deferred tax assets		1,935,172	2,055,118
Less deferred tax assets not recognised		(1,935,172)	(2,055,118)
Net tax assets		-	-
f. Deferred tax liabilities			
Revaluation of Investments		137,040	-
Property Plant and Equipment		1,445	1,125
Capital raising costs		29,768	765
Other		17,303	-
		185,556	1,890
Set-off deferred tax assets	6e	(185,556)	(1,890)
Net deferred tax liabilities		-	-
g. Tax losses			
Unused tax losses for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:			
Deductible temporary differences		237,728	914,809
Revenue losses		1,296,209	1,136,586
Capital losses		401,233	5,614
		1,935,170	2,057,009

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2017 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;

ii. the company continues to comply with conditions for deductibility imposed by law; and

iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 7 Cash and cash equivalents

	2017 $	2016 $
a. Current		
Cash at bank	236,899	363,871
	236,899	363,871

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 27 Financial risk management.

c. Reconciliation of cash flow from operations to loss after income tax

	2017	2016
Loss after income tax	(1,411,039)	(4,962,366)
Cash flows excluded from profit attributable to operating activities:		
Non-cash flows in profit from ordinary activities:		
Consultancy fees settle through issue of equity	-	129,342
Corporate transaction accounting expense	13,778	30,077
Fair valuation on deemed disposal and acquisition of associate	-	(124,043)
Foreign exchange gains or losses	-	(11,793)
Gain of liquidation of subsidiary	(586,049)	-
Loss or gain on sale of investments	302,971	(20,414)
Impairment	52,167	1,426,628
Payables of the Group settled through loans	50,000	12,875
Share of associates loss	-	317,966
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	(173,882)	553,789
Decrease/(Increase) in other receivable and prepayments	8,281	(19,686)
Increase in trade and other payables	143,877	509,330
Decrease in provisions	(2,439)	(74,797)
Decrease in taxes	8,201	(18,434)
Cash flow from operations	(1,594,134)	(2,251,526)

d. Credit standby facilities

The Group has no credit standby facilities.

e. Non-cash investing and financing activities

Refer to note 7f below.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 7 Cash and cash equivalents (cont.)

f. Liquidation of MeU Mobile Pty Ltd (MeU)	Note	2017 $
On 8 June 2017, the subsidiary MeU was wound up and liquidated by the company's liquidator. The result of the liquidation resulted in a gain of $586,049.		
(1) *Cash set-off or garnished:*		
Cash held by **Y&B** at date of liquidation		287
Cash out-flow on liquidation		287
(2) *Assets and liabilities held at liquidation date (excluding cash) excluded from the consolidated statement of cash flow:*		
Trade and other receivables		3,205
Other current assets		276
Plant and equipment		6,128
Trade and other payables		(262,734)
Short-term provisions		(20,258)
Borrowing – external		(35,414)
Net deficiency held at liquidation		(308,797)
(3) *Gain on Liquidation:*		
Cash out-flow on liquidation	7f(1)	(287)
Other current assets	7f(2)	308,797
Non-controlling interest at liquidation		277,539
		586,049

Note 8 Trade and other receivables

	2017 $	2016 $
a. **Current**		
Trade debtors	415,200	111,179
Accrued Research and Development grant receivable	278,329	461,327
Other receivables	72,035	81,513
	765,564	654,019

b. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 27 Financial risk management.

Note 9 Non-current assets held for disposal

	2017 $	2016 $
Current		
Property, plant and equipment (held in Papua New Guinea)	-	1,807
	-	1,807

Notes to the consolidated financial statements

for the year ended 30 June 2016

Note 10 Financial assets

	Note	2017 $	2016 $
a. Current			
Shares in other companies – available for sale (at fair value)	10a.i	-	454,366
		-	454,366

i. The Group held 4,133,307 shares in MySquar Limited (MYSQ) which were sold during the 2017 financial year, realising GBP97,132 (≈ AUD170,413)

b. Non-current	Note	2017 $	2016 $
Shares held in other companies – available for sale	10b.i	-	1,346,876
Less: Set-off of amounts due to investee companies liabilities	10b.i	-	(1,077,280)
Impairment of remaining balance		-	(269,320)
		-	276
Options held in other companies – available for sale		-	11,000
Loans to other companies	10b.ii	260,000	260,000
		260,000	271,276

i. The Group held a 10% investment in an unlisted company based in the United States. As at 30 June 2016 the Group applied the balance of the amounts due to the investee company to the carrying value of the asset. As the investment is not listed, the Group undertook an impairment assessment of the remaining carrying value and has recognised an impairment of $269,320 in respect to this investment.

ii. Loans to other companies are at an interest rate of 5.00% and are repayable on demand.

c. Fair value hierarchy

The following tables detail the Group's assets, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, as disclosed in note 1f.ii.

	Level 1 $	Level 2 $	Level 3 $	Total $
2016				
Assets				
Shares – available for sale 10a.i	454,366	-	-	454,366
Options – available for sale	11,000	-	-	11,000
Total	465,366	-	-	465,366
2017				
Assets				
Shares – available for sale 10a.i	-	-	-	-
Options – available for sale	-	-	-	-
Total	-	-	-	-

Notes to the consolidated financial statements

for the year ended 30 June 2016

Note 11 Plant, and equipment

	2017 $	2016 $
Non-current		
Plant and equipment	33,720	46,932
Accumulated depreciation	(24,519)	(28,540)
Total plant and equipment	9,201	18,392

Note 12 Intangible assets

	Note	2017 $	2016 $
a. **Non-current**			
Goodwill		889,266	889,266
Accumulated impairment		(889,266)	(889,266)
Intellectual property – software (**IP Software**)		586,596	53,636
Accumulated amortisation		(33,588)	(25,612)
		553,008	28,024

b. **Movements in Carrying Amounts**

	Note	Goodwill $	IP Software $
Carrying amount 1 July 2015		-	45,090
Additions		-	4,319
Acquired through business combinations		889,266	-
Impairment of intangible assets		(889,266)	-
Amortisation expense		-	(21,385)
Carrying amount at 30 June 2016		-	28,024
Carrying amount 1 July 2016		-	28,024
Additions		-	532,671
Movements due to exchange rate difference		-	1,725
Impairment of intangible assets		-	-
Amortisation expense		-	(9,412)
Carrying amount at 30 June 2017		-	553,008

c. **Allocation of goodwill to cash-generating units**

Goodwill held by the Group relates entirely to the acquisition of MeU Mobile Pty Ltd (**MeU**). As such, goodwill has been allocated to the MeU cash-generating unit.

The goodwill associated with the MeU was been fully impaired and written off by the Directors on the basis of the accumulated losses being generated by MeU's operations, and the company's net asset deficiency as at 30 June 2016. No other write-down of the assets of MeU is considered necessary.

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 13 Controlled entities

a. Legal parent entity

Yonder & Beyond Group Limited is the ultimate parent of the Group (refer to note 1a.iii).

i. Legal subsidiaries	Country of Incorporation	Class of Shares	Percentage Owned	
			2017	2016
Beyond Media Limited	United Kingdom	Ordinary	80.0%	-
Boppl (Australia) Pty Ltd	Australia	Ordinary	72.6%	72.6%
Boppl Limited (UK)	United Kingdom	Ordinary	72.6%	72.6%
Gophr Limited	United Kingdom	Ordinary	75.0%	75.0%
MeU Mobile Pty Ltd (see Note 7f)	Australia	Ordinary	-	70.5%
Prism Digital Limited	United Kingdom	Ordinary	60.0%	60.0%
Quintessential Resources (PNG) Ltd	Papua New Guinea	Ordinary	90.0%	90.0%
Wondr.it Limited	United Kingdom	Ordinary	100.0%	100.0%
Y & B Australia Pty Ltd	Australia	Ordinary	100.0%	100.0%
Yonder and Beyond Ltd	Australia	Ordinary	100.0%	100.0%
Yonder and Beyond Ltd	United Kingdom	Ordinary	100.0%	100.0%
Yonder and Beyond, Inc.	United States of America	Ordinary	100.0%	100.0%

b. Account parent entity

Yonder and Beyond Ltd is the accounting parent of the Group (refer to note 1a.iii).

i. Accounting subsidiaries	Country of Incorporation	Class of Shares	Percentage Controlled	
			2017	2016
Beyond Media Limited	United Kingdom	Ordinary	80.0%	-
Boppl (Australia) Pty Ltd	Australia	Ordinary	72.6%	72.6%
Boppl Limited (UK)	United Kingdom	Ordinary	72.6%	72.6%
Gophr Limited	United Kingdom	Ordinary	75.0%	75.0%
MeU Mobile Pty Ltd (see Note 7f)	Australia	Ordinary	-	70.5%
Prism Digital Limited	United Kingdom	Ordinary	60.0%	60.0%
Quintessential Resources (PNG) Ltd	Papua New Guinea	Ordinary	90.0%	90.0%
Wondr.it Limited	United Kingdom	Ordinary	100.0%	100.0%
Y & B Australia Pty Ltd	Australia	Ordinary	100.0%	100.0%
Yonder & Beyond Group Limited	Australia	Ordinary	100.0%	100.0%
Yonder and Beyond Ltd	United Kingdom	Ordinary	100.0%	100.0%
Yonder and Beyond, Inc.	United States of America	Ordinary	100.0%	100.0%

c. Investments in subsidiaries are accounted for at cost.

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 14 Associates

a. Change in the Group's ownership interest in an associate

On 30 April 2016, Yonder and Beyond Limited (**Yonder**), acquired an additional 22.53% of the ordinary share capital and voting rights in its associate MeU Mobile Pty Ltd (**MeU**). As such, as at 30 June 2016, the Group no longer held an interest in an associate.

b. Summarised financial information for associates

Set out below is the summarised financial information for the Group's investments in associates. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian Accounting Standards financial statements of the associate. The following summarised financial information, however, reflects the adjustments made by the Group when applying the equity method, including adjustments for any differences in accounting policies between the Group and the associate. Balances reported below pertaining to the 2016 financial year are quoted as at the date of acquisition, being 30 April 2016.

	MeU Mobile Pty Ltd 30 April 2016 $
i. Summarised financial performance	
Revenue	92,815
Loss after tax from continuing operations	(681,326)
Other comprehensive income	-
Total comprehensive income	(681,326)
Group's share of associate's profit after tax from continuing operations	(317,966)
Group's share of associate's other comprehensive income	-
ii. Reconciliation to Carrying Amounts	
Group's share of associate's opening net assets	-
Investments during the period	-
Group's share of associate's profit after tax from continuing operations	-
Group's share of associate's closing net assets (carrying amount of investment)	-

Note 15 Trade and other payables

	Note	2017 $	2016 $
a. Current			
Unsecured			
Trade payables	15b,15d	1,352,641	1,336,551
Other payables	15d	399,523	392,382
Employment liabilities		629,369	874,702
Value-added and other taxes payable		225,685	158,366
Income in advance		57,054	20,826
		2,664,272	2,782,827

b. Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 27 Financial risk management.

d. Subsequent to balance date, the Group settled all Trade and Other Payables amounting to $1,347,506 through the issue of shares and debt forgiveness (Refer note 25a)

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 16 Borrowings

	Note	2017 $	2016 $
a. Current			
Financial institutions	16c	5,945	30,916
Director-related loans	16d	241,081	-
Loans – non-director related parties	16e	67,535	-
		314,561	30,916
b. Non-current			
Director-related loans		-	678,276
Loans – non-director related parties		-	90,214
		-	768,490

c. Borrowings with financial institutions are an unsecured loan with HSBC UK at an interest rate of 3.97% p.a. over the Bank of England base rate. The principal and interest is repaid monthly over a period of 2 years from the initial draw down.

d. All Director-related loans are repayable at 31 December 2017, extended by mutual agreement. They are unsecured with 0% interest. Subsequent to balance date, the Group settled all Director-related loans, up to 31 May 2017, through the issue of shares and debt forgiveness (Refer note 25a)

e. Loans to non-director related parties are unsecured with a 0% interest rate. Loans have been agreed by lenders to be settled when the Group is in a position to do so.

Note 17 Provisions

	Note	2017 $	2016 $
a. Disclosed as:			
Current		26,977	52,899
Carrying amount at the end of year		26,977	52,899

b. Movements in carrying amounts

	Employee entitlements $
Balance at the beginning of year	52,899
Additional provisions raised during the year	27,421
Amounts used	(53,323)
Carrying amount at the end of year	26,997

c. Description of provisions

Provision for employee benefits represents amounts accrued for annual leave (**AL**), long service leave (**LSL**), and NIC liabilities. Refer also note 1n.i.

The current portion for this provision includes the total amount accrued for AL entitlements and the amounts accrued for LSL entitlements that have vested due to employees having completed the required period of service. The Group does not expect the full amount of AL or LSL balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 18 Issued capital

	Note	2017 No.	2016 No.	2017 $	2016 $
Fully paid ordinary shares at no par value	18a	123,381,201	89,973,986	15,457,337	13,092,199

a. Ordinary shares

	Note	2017 No.	2016 No.	2017 $	2016 $
At the beginning of the year		89,973,986	71,979,191	13,092,199	12,378,195
Shares issued during the year:					
Issued of shares 19 April 2016		-	10,796,877	-	431,875
Issued of shares 22 June 2016		-	7,197,918	-	287,916
14 November 2016 *Placement*		13,496,080	-	809,765	-
28 December 2016 *Conversion*		5,826,520	-	466,121	-
28 February 2017 *Placement*		14,084,615	-	915,500	
Application funds received in advance	25	-	-	282,000	
Transaction costs relating to share issues		-	-	(108,248)	(5,787)
At reporting date		123,381,201	89,973,986	15,457,337	13,092,199

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

b. Options

For information relating to the Yonder & Beyond Group Limited scheme, including details of options issued, issued and lapsed during the financial year, and the options outstanding at balance date, refer to Note 20 Share-based Payments. The total number of options on issue are as follows:

		2017 No.	2016 No.
Unlisted options		45,285,000	45,285,000
At the beginning of the period		45,285,000	42,547,500
Issue to consultant 24 September 2015	20b.iii	-	3,000,000
Expiration of options 30 July 2015		-	(100,000)
Expiration of options 31 October 2015		-	(162,500)
At reporting date		45,285,000	45,285,000

c. Capital Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Due to the nature of the Group's activities, being to assess, invest in, develop, and accelerate early stage companies in the technology and media sectors, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet its operational and technology development programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Group is not subject to externally imposed capital requirements.

Notes to the consolidated financial statements

for the year ended 30 June 2016

Note 18 Issued capital (cont.)

The working capital position of the Group at 30 June 2017 and 30 June 2016 were as follows:

	Note	2017 $	2016 $
Cash and cash equivalents	7	236,899	363,871
Trade and other receivables	8	765,564	654,019
Financial assets	10a	-	454,366
Other current asset		11,613	21,245
Non-current assets held for disposal	9	-	1,807
Trade and other payables	15	(2,664,272)	(2,782,827)
Current tax liabilities	6d	(44,532)	(38,714)
Borrowings (current)	16	(314,561)	(30,916)
Short-term provisions	17	(26,977)	(52,899)
Working capital position		(2,036,266)	(1,410,048)

Note 19 Reserves

	Note	2017 $	2016 $
Business combination under common control reserve	19a	(4,701,018)	(4,701,018)
Foreign exchange reserve	19b	(205,570)	(159,280)
Option reserve	19c	129,342	129,342
		(4,777,246)	(4,730,956)

a. **Business combination under common control reserve (BCUCC reserve)**

The BCUCC reserve recognises any difference between the acquired net assets and the consideration exchanged in a Business combination under common control transaction.

b. **Foreign exchange translation reserve**

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiaries.

c. **Option reserve**

The option reserve records the value of options issued the Company to its employees or consultants.

Notes to the consolidated financial statements
for the year ended 30 June 2016

Note 20 Share-based payments

	Note	2017 $	2016 $
Share-based payment expense recognised in contractors and consultants costs	20b.iii	-	129,342

a. Share-based payment plans

The Company has established an employee share option scheme (**Scheme**). The Scheme is designed to provide eligible participants with an ownership interest in the Company and to provide additional incentives for eligible participants to increase profitability and returns to Shareholders.

The summary of the Scheme is set out below for the information of potential investors in the Company. The detailed terms and conditions of the Scheme may be obtained free of charge by contacting the Company.

The key terms of the Plan are summarised below.

Eligibility and Grant of Incentive Options	*The Board may grant Incentive Options to any full or part time employee of the Company or an associated body corporate. Incentive Options may be granted by the Board at any time.*
Consideration	*Each Incentive Option issued under the Plan will be issued for nil cash consideration.*
Conversion	*Each Incentive Options is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.*
Exercise Price and Expiry Date	*To be determined by the Board prior to the grant of the Incentive Options.*
Exercise Restrictions	*The Incentive Options may be subject to conditions on exercise as may be fixed by the Directors prior to grant.*
Share Restriction Period	*Shares issued on the Exercise of Incentive Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a Restriction Period has expired, as specified in the Offer for the Incentive Options.*

b. Share-based payment arrangements in effect during the period

i. Management Performance Options (**Performance Options**)

In recognition of the incentive scheme options held by Management Shareholders of Yonder as at acquisition date, the Company elected to replace them by issuing to the management shareholders (or their respective nominees) 35,000,000 options (Performance Options) (on a post-consolidation basis). Of the total 35,000,000 Performance Options, KMP at the time were issued a total 23,450,000:

Tranche	Number under Option(5)(6)(7)	Date of Expiry	Exercise Price(5)(7)	Vesting Terms(2)(3)(4)	Escrow(1)
Tranche 1	15,000,000	30.11.2017	$0.20	Immediately upon issue	25% for a period of 3 months from the date of issue
Tranche 2	10,000,000	30.11.2017	$0.25	Upon the 5 day volume weighted average share price (**VWAP**) of the Company being equal to or in excess of $0.50 per share	25% for a period of 6 months from the date of issue
Tranche 3	10,000,000	31.5.2018	$0.40	Upon the 5 day VWAP of the Company being equal to or in excess of $0.80 per share	50% for a period of 12 months from the date of issue
	35,000,000				

(1) Subject to any longer escrow period that ASX may impose.

(2) Subject to the beneficiary of the Performance Options being either (1) in continuous employment/service agreement with Y&B and/or the Company or (2) not a Bad Leaver;

(3) The parties shall agree Good Leaver and Bad Leaver provisions as part of implementing the transaction.

(4) The Performance Options are exercisable at any time from when they vest, to on or before 5.00pm (AWST) on their expiry date wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.

(5) There will be no change to the exercise price of a Performance Option or the number of Shares over which a Performance Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a bonus issue, see further below).

(6) If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(7) If, prior to the expiry of any Performance Options, there is a reorganisation of the issued capital of the Company, the Performance Options shall be reorganised in the manner set out in the Listing Rules.

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 20 Share-based payments (cont.)

ii. Adviser options

In connection with the capital raising undertaken during the 2015 year, the Company has the following options on issue:

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
4,785,000	19 February 2018	$0.25	Immediately upon issue
1,000,000	19 February 2018	$0.20	Immediately upon issue
1,500,000	30 November 2017	$0.20	Immediately upon issue

iii. Consultant options

In connection with the reverse acquisition, the Group assumed the option arrangements of the legal parent / account subsidiary (Y&B):

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
500,000	31 December 2017	$0.30	Immediately upon issue
500,000	31 December 2018	$0.35	Immediately upon issue
1,000,000	31 December 2018	$0.40	Immediately upon issue
1,000,000	31 December 2018	$0.60	Immediately upon issue

c. Options granted to KMP are as follows

Grant Date	Number
20 February 2015	23,450,000

Further details of these options are provided in note 20b.i above and the Remuneration report on page 8.

d. Movement in share-based payment arrangements during the period

A summary of the movements of all company options issued as share-based payments is as follows:

	2017		2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	45,285,000	$0.271	42,547,500	$0.312
Granted	-	-	3,000,000	$0.442
Exercised	-	-	-	-
Expired	-	-	(262,500)	$4.552
Outstanding at year-end	45,285,000	$0.271	45,285,000	$0.271
Exercisable at year-end	45,285,000	$0.271	45,285,000	$0.271

i. No options were exercised during the year.

ii. The weighted average remaining contractual life of options outstanding at year end was 0.618 years. The weighted average exercise price of outstanding shares at the end of the reporting period was $0.271.

iii. The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

e. Fair value of options grants during the period

The fair **value** of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

There were no options granted during the 2017 financial year.

The weighted average fair value of options granted in the prior year was $0.0431 (2016: 0.0431). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Notes to the consolidated financial statements

for the year ended 30 June 201

Note 20 Share-based payments (cont.)

Grant date:	24 September 2015			
Grant date share price:	$0.135			
Option exercise price:	$0.300	$0.350	$0.400	$0.60
Number of options issued:	500,000	500,000	1,000,000	1,000,000
Remaining life (from grant date) (years):	1.3	2.3		
Expected share price volatility:	87.30%			
Risk-free interest rate:	1.84%			
Value per option	$0.0411	$0.0509	$0.0471	$0.0362

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Note 21 Key management personnel compensation

The names are positions of KMP are as follows:

- Mr Jay Stephenson — *Chairman and Company Secretary*
- Mr Shashi Fernando — *Executive Director and CEO*
- Mr John Bell — *Executive Director and CFO*
- Mr Michael Hynes — *Executive Director and COO*

The totals of remuneration paid to KMP during the year are as follows and is prepared on the following bases:

- This note relates to accounting entity with Yonder and Beyond Limited as the accounting parent of the Group (refer to note 1a.iii. KMP remuneration for the accounting acquiree, Y&B, is disclosed from the date of control. Consequently, amounts reported below will differ from the Remuneration report on page 8;

	2017 $	2016 $
Short-term employee benefits	387,175	1,059,980
Post-employment benefits	4,750	6,626
Share-based payments	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total	391,925	1,066,606

Note 22 Related party transactions

	2017 $	2016 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Wolfstar Corporate Management Pty Ltd and Wolfstar Group Pty Ltd (**Wolfstar**)		
Purchases of goods or services		
Wolfstar was formerly a company jointly controlled by Mr Stephenson that provided financial services to the Group. Wolfstar ceased to be a related party in September 2016. Amounts recorded are subject to a deed of forgiveness settlement as disclosed in Note 25.	24,512	78,469

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 22 Related party transactions

	2017 $	2016 $
Trade and other payables		
Payables of the Group in respect to Wolfstar in respect to the above services. Wolfstar ceased to be a related party in September 2016. The balance at this date was $80,708. Amounts are subject to a deed of forgiveness and settlement as disclosed in Note 25	-	59,245

Note 23 Contingent liabilities

There are no contingent liabilities as at 30 June 2017 (2016: Nil).

Note 24 Commitments

The Group has no material commitments as at 30 June 2017 (2016: nil)

Note 25 Events subsequent to reporting date

On 14 July 2017, the Company completed a placement of 13,975,200 Shares raising $560,000. As at 30 June 2017, $282,000 was received from application. These funds were held on trust until completion of the placement.

On 19 September 2017 at a General Meeting shareholders approved the issue of equity in respect to the following:

a. Lenders and creditors agreed to accept the issue of 17,671,601 shares in the Company in exchange for writing off all claims against the Company for amounts owing to him. This amounts to a conversion of $708,747 at $0.04 per share and a debt forgiveness benefit to the Company of $860,953.

b. Approval was obtained to issue 31,500,000 options to non-related parties of the Company. The options to be issued are to parties currently providing services to the Company and will assist the Company in minimising short-term cash outflow for services provided. The options form part of the overall debt reduction program that has been implemented and accepted by the Board and the Companies major creditors.

c. The issue of the 15,000,000 options to Mr Hynes will be as follows:
   i. Tranche 1: 3,500,000 options at an exercise price of $0.06 with an expiry of 1 December 2021
   ii. Tranche 2: 3,500,000 options at an exercise price of $0.12 with an expiry of 1 December 2021
   iii. Tranche 3: 8,000,000 options at an exercise price of $0.22 with an expiry of 1 December 2021.

   The options will vest 12 months after the date of issue, subject to the continued employment of Mr Hynes with the Company. The options will not be quoted on ASX and accordingly have no readily identifiable market value. The options will be valued for accounting purposes by the Directors using the principles set out in AASB 2 "Share based Payment" and the Black Scholes method once the options have been approved and granted.

d. The issue of the 10,000,000 options to Mr Bell will be as follows:
   i. Tranche 1: 3,000,000 options at an exercise price of $0.06 with an expiry of 1 December 2021
   ii. Tranche 2: 3,000,000 options at an exercise price of $0.12 with an expiry of 1 December 2021
   iii. Tranche 3: 4,000,000 options at an exercise price of $0.22 with an expiry of 1 December 2021.

   The options will vest 12 months after the date of issue, subject to the continued employment of Mr Bell with the Company. The options will not be quoted on ASX and accordingly have no readily identifiable market value. The options will be valued for accounting purposes by the Directors using the principles set out in AASB 2 "Share based Payment" and the Black Scholes method once the options have been approved and granted.

e. The issue of the 4,000,000 options to Mr Stephenson will be as follows:
   i. Tranche 1: 1,000,000 options at an exercise price of $0.06 with an expiry of 1 December 2021
   ii. Tranche 2: 1,000,000 options at an exercise price of $0.12 with an expiry of 1 December 2021
   iii. Tranche 3: 2,000,000 options at an exercise price of $0.22 with an expiry of 1 December 2021.

   The options will vest 12 months after the date of issue, subject to the continued employment of Mr Stephenson with the Company. The options will not be quoted on ASX and accordingly have no readily identifiable market value. The options will be valued for accounting purposes by the Directors using the principles set out in AASB 2 "Share based Payment" and the Black Scholes method once the options have been approved and granted.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 26 Operating segments

a. Identification of reportable segments

The Group operates predominantly in the information technology industry as a global technology incubation company. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (**the Board**) on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the principal geographical locations and regulatory environments – the United Kingdom, Australia, and United States of America (**United States**). Papua New Guinea (**PNG**) operations were wound down in prior years. Together with the change in nature and operations under Yonder and Beyond, PNG has become an immaterial operation to the Group.

b. Basis of accounting for purposes of reporting by operating segments

i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board, being 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.

ii. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is based on what would be realised in the event the sale or service was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are recognised in "All other segments" which contains the treasury and oversight functions of the Group. The Board recovers charges management fees from respective segments to reflect an allocation of costs across the Group. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable 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.

iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Depreciation and amortisation
- Gains or losses on sales of financial and non-financial assets
- Investment income
- Corporate transaction accounting expense

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 26 Operating segments (cont.)

For the Year to 30 June 2017	United Kingdom $	Australia $	United States $	All other regions segments $	Total $
Revenue					
Revenue	3,533,419	81,623	-	-	3,615,042
Intra-segment sales	151,234	-	66,269	-	217,503
Interest revenue	9	17,107	-	-	17,116
Total segment revenue	3,684,662	98,730	66,269	-	3,849,661
Reconciliation of segment revenue to group revenue:					
Intra-segment eliminations					(178,850)
Research and development grant income	278,329				278,329
Liquidation gain of wind up of subsidiary		586,049			586,049
Loss on disposal of investments		(302,971)			(302,971)
Other income	35,830	(157,885)	88,718		(33,337)
Total group revenue and other income					4,198,881
Segment loss from continuing operations before tax	(728,839)	(388,696)	(89,387)	(176,814)	(1,383,736)
Reconciliation of segment loss to group loss:					
(i) Amounts not included in segment results but reviewed by Board:					
Depreciation and amortisation	(11,342)	(2,436)	-	-	(13,778)
(ii) Unallocated items					-
Loss before income tax					(1,397,514)
As at 30 June 2017					
Segment Assets	1,573,932	24,023,333	1,713	103	25,599,081
Reconciliation of segment assets to group assets:					
Intra-segment eliminations					(23,762,796)
Total assets					1,836,285
Segment asset increases for the period:					
Capital expenditure	532,671	-	-	-	532,671
Acquisitions	-	-	-	-	-
	532,671	-	-	-	532,671
Segment Liabilities	1,506,485	1,623,400	-	301,131	3,431,016
Reconciliation of segment liabilities to group liabilities					
Intra-segment eliminations					(380,674)
Total liabilities					3,050,342

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 26 Operating segments (cont.)

For the Year to 30 June 2016	United Kingdom $	Australia $	United States $	All other regions segments $	Total $
Revenue					
Revenue	3,230,964	193,373	34,324	-	3,458,661
Intra-segment sales	944,010	-	137,297	93,709	1,175,016
Interest revenue	-	18,350	-	-	18,350
Total segment revenue	4,174,974	211,723	171,621	93,709	4,652,027
Reconciliation of segment revenue to group revenue:					
Intra-segment eliminations					(1,422,579)
Share of associate's profit or loss		(317,966)			(317,966)
Research and development grant income	461,327				461,327
Fair valuation on deemed disposal and acquisition of associate		124,043			124,043
Loss on disposal of investments		(20,414)			(20,414)
Other income	272,332	9,799			282,131
Total group revenue and other income					3,758,569
Segment loss from continuing operations before tax	(1,701,574)	(2,583,422)	(114,322)	(222,268)	(4,621,586)
Reconciliation of segment loss to group loss:					
(iii) Amounts not included in segment results but reviewed by Board:					
Depreciation and amortisation	(28,105)	(1,972)	-	-	(30,077)
(iv) Unallocated items:					
Share of associate's profit or loss					(317,966)
Corporate transaction accounting expense					-
Profit before income tax					(4,969,629)
As at 30 June 2016					
Segment Assets	1,174,469	23,975,863	138,622	1,908	25,290,862
Reconciliation of segment assets to group assets:					
Intra-segment eliminations					(23,477,862)
Total assets					1,813,000
Segment asset increases for the period:					
Capital expenditure	-	4,319	-	-	4,319
Acquisitions	889,266	-	-	-	889,266
	889,266	4,319	-	-	893,585
Segment Liabilities	1,748,032	2,030,448	20,174	272,840	4,071,494
Reconciliation of segment liabilities to group liabilities					
Intra-segment eliminations					(397,648)
Total liabilities					3,673,846

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 27 Financial risk management

a. Financial Risk Management Policies

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2017 Total $	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2016 Total $
Financial Assets								
Cash and cash equivalents	236,899	-	-	236,899	363,871	-	-	363,871
Trade and other receivables	-	-	765,564	765,564	-	-	654,019	654,019
Financial assets	-	-	260,000	260,000	-	-	725,642	725,642
Total Financial Assets	236,899	-	1,025,564	1,262,463	363,871	-	1,379,661	1,743,532
Financial Liabilities								
Financial liabilities at amortised cost								
Trade and other payables	-	-	2,664,272	2,664,272	-	-	2,782,827	2,782,827
Borrowings	-	314,561	-	314,561	-	30,916	768,490	799,406
Current tax liabilities	-	-	44,532	44,532	-	-	38,714	38,714
Total Financial Liabilities	-	314,561	2,708,804	3,023,365	-	30,916	3,590,031	3,620,947
Net Financial Assets	236,899	(314,561)	(1,683,240)	(1,760,902)	363,871	(30,916)	(2,210,370)	(1,877,415)

b. Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

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

The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties.

Notes to the consolidated financial statements

for the year ended 30 June 2017

Note 27 Financial risk management (cont.)

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

(1) ***Credit risk exposures***

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

(2) ***Impairment losses***

The ageing of the Group's trade and other receivables at reporting date was as follows:

	Gross 2017 $	Impaired 2017 $	Net 2017 $	Past due but not impaired 2017 $
Trade receivables				
Not past due	362,384	-	362,384	-
Past due up to 3 months	52,516	-	52,516	52,516
Past due over 3 months	-	-	-	-
	414,900	-	414,900	52,516
Other receivables				
Not past due	350,664	-	350,664	-
Total	765,564	-	765,564	52,516

ii. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being to assess, invest in, develop, and accelerate early stage companies in the technology and media sectors, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes to the consolidated financial statements
for the year ended 30 June 2017

Note 27 Financial risk management (cont.)

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

(1) ***Contractual Maturities***

The following are the contractual maturities of financial liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $
Financial liabilities due for payment						
Trade and other payables	2,664,272	2,782,827	-	-	2,664,272	2,782,827
Borrowings	314,561	30,916	-	768,490	314,561	799,406
Total contractual outflows	2,978,833	2,813,743	-	768,490	2,978,833	3,582,233
Financial assets						
Cash and cash equivalents	236,899	363,871	-	-	236,899	363,871
Trade and other receivables	765,564	654,019			765,564	654,019
Total anticipated inflows	1,002,463	1,017,890	-	-	1,002,463	1,017,890
Net (outflow)/inflow on financial instruments	(1,976,370)	(1,795,853)	-	(768,490)	(1,976,370)	(2,564,343)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

(1) ***Interest rate risk***

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no debt arrangements have been entered into, and movement in interest rates on the Group's financial assets is not material.

(2) ***Foreign exchange risk***

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the Australian dollar (**AUD**) presentation currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies (namely British pounds (**GBP**) and United States dollar (**USD**)) may impact on the Group's financial results. The Group's exposure to foreign exchange is reviewed by the Board regularly.

Note 27 Financial risk management (cont.)

(3) ***Price risk***

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

iv. Sensitivity Analyses

The following tables illustrate sensitivities to the Group's exposures to changes in the relevant risk variable. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

(1) ***Interest rates***	Profit $	Equity $
Year ended 30 June 2017		
±100 basis points change in interest rates	± 2,369	± 2,369
Year ended 30 June 2016		
±100 basis points change in interest rates	± 3,639	± 3,639

(2) ***Foreign exchange***	Profit $	Equity $
Year ended 30 June 2017		
±10% of Australian dollar strengthening/weakening against the GBP	± nil	± 6,745
Year ended 30 June 2016		
±10% of Australian dollar strengthening/weakening against the GBP	± nil	± 57,356

	Profit $	Equity $
Year ended 30 June 2017		
±10% of Australian dollar strengthening/weakening against the USD	± nil	± 171
Year ended 30 June 2016		
±10% of Australian dollar strengthening/weakening against the USD	± nil	± 11,845

v. Net Fair Values

(1) ***Fair value estimation***

The fair values of financial assets and financial liabilities are presented in the table in note 27a and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Notes to the consolidated financial statements
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Note 28 Parent entity disclosures

	2017 $	2016 $
a. Financial Position of Yonder & Beyond Group Limited (legal parent)		
Current assets	43,554	13,040
Non-current assets	-	-
Total assets	43,554	13,040
Current liabilities	627,476	325,031
Non-current liabilities	-	611,435
Total liabilities	627,476	936,466
Net assets	(583,922)	(923,426)
Equity		
Issued capital	27,638,841	25,555,703
Option reserve	7,429,342	7,429,342
Accumulated losses	(35,652,105)	(33,908,472)
Total equity	(583,922)	(923,427)
b. Financial performance of Yonder & Beyond Group Limited		
Profit / (loss) for the year	(1,743,634)	(20,809,520)
Other comprehensive income	-	-
Total comprehensive income	(1,743,634)	(20,809,520)

c. **Guarantees entered into by Yonder & Beyond Group Limited for the debts of its legal subsidiaries**

There are no guarantees entered into by Yonder & Beyond Group Limited for the debts of its subsidiaries as at 30 June 2017 (2016: none).

Note 29 Company details

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

Address:

Street:	283 Rokeby Road
	SUBIACO WA 6008
Postal:	PO Box 52, West Perth WA 6872
Telephone:	+61 (0)8 6141 3570
Facsimile:	+61 (0)8 6141 3599
Website:	www.yonderbeyond.com
Email:	info@yonderbeyond.com

Directors' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 58, are in accordance with the *Corporations Act 2001* (Cth) and:

   (a) comply with Accounting Standards;

   (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and

   (c) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company and Consolidated Group.

   (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);

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 and is signed for and on behalf of the directors by:

JAY STEPHENSON
Chairman
Dated this Friday, 29 September 2017

Independent Auditor's Report

To the Members of Yonder and Beyond Group Limited

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

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T +61 8 9226 4500
F +61 8 9226 4300

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Yonder and Beyond Group Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a)(i).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $1,411,039 during the year ended 30 June 2017. As stated in Note 1(a)(ii), these events or conditions, along with other matters as set forth in Note 1(a)(ii), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recognition of Research & Development Grant Income - $278,329 (Refer to note 2b) Research and development grant income is a key audit matter due to: - The inherent subjectivity that is involved in the Consolidated Entity making judgements in relation to estimation and recognition of the research and development grant income and receivable.	Our procedures included, amongst others: - obtaining an understanding of the objectives and activities in the research and development program; - reviewing the lodgement documents and related working papers utilised by the expert engaged by the Consolidated Entity; - assessing the scope of services and capabilities of the expert engaged by the Consolidated Entity; - comparing the eligible expenditure used in the receivable calculation to the expenditure recorded in the general ledger; and - assessing the adequacy of the disclosures in the financial report.
Intangible Assets – $553,008 (Refer to note 12) Intangible assets are a key audit matter due to: - The significance to the consolidated statement of financial position; - The specific criteria that are required to be met for capitalisation; - Management judgement such as with respect to technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future benefits and	Our procedures amongst others included: - Assessing the recognition criteria for internally generated intangible assets; - Evaluating the key assumptions used for estimates made in capitalising development costs, including assessment of whether capitalised costs related to the development phase of the project, the generation of probable future economic benefits and the useful economic life attributed to the asset; - We performed audit procedures including a sample selection of items capitalised to assess

Key audit matter	How our audit addressed the key audit matter
the ability to measure the costs reliably; and - Management judgement as to the estimation of useful lives of the completed projects and assessment for any impairment requirements	the recognition and accuracy of the amounts capitalised in the period; - Evaluating management's assessment as to whether indicators of impairment had occurred; and - Assessing the adequacy of the disclosures in Note 12

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a)(i), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A 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.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated at Perth this 29th day of September 2017

Corporate governance statement

The Board of Directors of Yonder & Beyond Group Limited (the Company or Y&B) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Y&B on behalf of the shareholders by whom they are elected and to whom they are accountable.

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3rd Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not **following** them.

The Company's Corporate Governance Plan has been posted on the Company's website at www.yonderbeyond.com.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which: (a) sets out the respective roles and responsibilities of the board, the chair and management; and (b) includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.
Recommendation 1.2 A listed entity should: (c) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (d) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	YES	(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. (b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	NO	The Company Secretary and the Chair are the same person. The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, and through the CEO, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.	(a) YES (b) YES (c) NO	(a) The Company has adopted a Diversity Policy. (i) The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality. (ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives. (b) The Diversity Policy is stated in Schedule 9 of the Corporate Governance Plan which is available on the company website. The Company believes in promoting diversity, and while it has adopted a Diversity Policy, given the present Company size, there have been no plans to establish measurable objectives for achieving gender diversity as part of the KPI of the senior executives. The need for establishing and assessing measurable objectives for achieving gender diversity will be reassessed as the Company size increases. The Company is dedicated to promoting a corporate culture that embraces diversity. The Company believes that diversity begins with the recruitment and selection practices of its Board and its staff. Hiring of new employees and promotion of current employees are made on the bases of performance, ability and attitude

Corporate governance statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan. . (b) The Company's Corporate Governance Plan requires the Board to disclosure whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Reports.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives. (b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Report.
Principle 2: Structure the board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	NO	(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee. The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website. The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the *Corporations Act 2001* (Cth) and ASX Listing Rules. The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.

Corporate governance statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	YES	See Board Skills Matrix below. (1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements. (2) Skill gap noticed however an external IT firm is employed on an ad hoc basis to maintain IT requirements.
Recommendation 2.3 **A listed entity should disclose:** (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director	YES	(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports and Company website. (b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website. (c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	YES	The Board Charter requires that where practical the majority of the Board will be independent. Details of each Director's independence are provided in the Annual Reports and Company website.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	NO	The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. If the Chairman ceases to be independent then the Board will consider appointing a lead independent Director. Currently the board chair is non-executive but not independent. As the company grows it shall seek to appoint a non-executive independent Chairman.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	YES	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees. (b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.

Board Skills Matrix	Number of Directors that Meet the Skill
Executive & Non- Executive experience	4
Industry experience & knowledge	2
Leadership	4
Corporate governance & risk management	4
Strategic thinking	4
Desired behavioural competencies	4
Geographic experience	4
Capital Markets experience	3
Subject matter expertise:	
- accounting	4
- capital management	3
- corporate financing	3
- industry taxation [1]	1
- risk management	4
- legal	1
- IT expertise [2]	2

YONDER & BEYOND

Corporate governance statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	NO	(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no separate Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	(a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website. Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.

Corporate governance statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders. The Shareholder Communications Strategy can be found in Schedule 10 of the Board Charter which is available on the Company website.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	NO	(b) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. (b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.

Corporate governance statement

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	NO	Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee. The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	(a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans. (b) A copy of the Company's Corporate Governance Plan is available on the Company's website.

Additional information for listed public companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1. Capital

a. Ordinary Share Capital

137,356,201 ordinary fully paid shares held by 714 shareholders.

b. Unlisted Options over Unissued Shares

The Company has 45,285,000 options on issue in accordance with section 7.1 of the Directors' Report.

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted Options**: Options do not entitle the holders to vote in respect of that option, nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.

d. Substantial Shareholders as at 20 September 2017.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Mr Shashi Fernando	24,571,379	17.89
J P Morgan Nominees Australia Limited	13,490,475	9.82
Mars Capital Pty Ltd	7,325,341	5.33

e. Distribution of Shareholders as at 20 September 2017.

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	181	66,039	0.05
1,001 – 5,000	116	302,283	0.22
5,001 – 10,000	64	516,314	0.38
10,001 – 100,000	221	9,389,959	6.84
100,001 – and over	132	127,081,606	92.51
	714	137,356,201	100.00

f. Unmarketable Parcels as at 20 September 2017.

As at 20 September 2017 there were 368 fully paid ordinary shareholders holding less than a marketable parcel.

g. On-Market Buy-Back

There is no current on-market buy-back.

h. Restricted Securities

The Company has no restricted securities.

Additional information for listed public companies

i. 20 Largest Shareholders — Ordinary Shares as at as at 20 September 2017.

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Mr Shashi Fernando	24,571,379	17.89
2.	J P Morgan Nominees Australia Limited	13,490,475	9.82
3.	Mars Capital Pty Ltd	7,325,341	5.33
4.	Australian Executor Trustees Limited	6,270,755	4.57
5.	Centre Forward Pty Ltd <Top Corner A/C>	3,977,537	2.90
6.	HSBC Custody Nominees (Australia) Limited	3,345,131	2.44
7.	Mr William Paterson + Mrs Beverley Paterson <Paterson Super Fund A/C>	2,331,730	1.70
8.	Mr Andrew Swift	2,296,883	1.67
9.	Pebble Bay Capital Pte Limited	2,257,091	1.64
10.	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	2,223,988	1.62
11.	Ms Sarah Wong	2,155,000	1.57
12.	Aredebeco Pty Ltd <Bell Superannuation Fund A/C>	1,876,399	1.37
13.	Mr Lawrence Fletcher	1,724,372	1.26
14.	Fielding Hill Capital Pty Ltd	1,680,191	1.22
15.	Mr Justin Stephen Manolikos <Mollys Family A/C>	1,658,950	1.21
16.	Mr Peter Abraam	1,641,025	1.19
17.	P Low Super Pty Ltd <P Low Super Fund A/C>	1,538,462	1.12
18.	Mr Gavin Jeremy Dunhill	1,500,000	1.09
19.	Campbell McComb	1,500,000	1.09
20.	Mr Ryan Low <Low Family A/C>	1,375,637	1.00
	TOTAL	84,740,346	61.70

2. The name of the Company Secretary is Christopher Shearer.

3. PRINCIPAL REGISTERED OFFICE

As disclosed in Note 29 Company details on page 58 of this Annual Report.

4. REGISTERS OF SECURITIES

As disclosed in the Corporate Directory on page i of this Annual Report.

5. STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, As disclosed in the Corporate Directory on page i of this Annual Report.

6. USE OF FUNDS

The Company has used its funds in accordance with its initial business objectives.

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