SUCCESS
GLOBAL MEDIA LTD
ENHANCING LIVES

ANNUAL REPORT 2018

SUCCESS GLOBAL MEDIA LIMITED

AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

ANNUAL REPORT

FOR YEAR ENDED 31 DECEMBER 2018

Given in accordance with ASX Listing Rule 4.2.A.3

Success Global Media Limited and Controlled Entities

ABN 60 091 509 849

Annual Report 31 December 2018

CORPORATE DIRECTORY

Board of Directors

Tan Poh Choon, Richard	Chairman, Managing Director
Michael Burnett	Chief Executive Officer & Executive Director
Michael Lane	Executive Director
Ivan Oshry	Non-Executive Director
Oliver Tham	Non-Executive Director

Company Secretary

Jay Stephenson

Registered Office

Suite 70-72 Jones Bay Wharf
26-32 Pirrama Road
Pyrmont NSW 2009

Auditor

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000
Australia

Share Registry

Link Market Services Limited
Level 12 680 George Street
Sydney NSW 2000

Banker

National Australia Bank Limited
Suite 7
51-53 Kewdale Road
Welshpool WA 6106

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance summary discloses the extent to which the Company has followed 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.srglobal.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: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) 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.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
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.	YES	(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. (c) (i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment. (ii) The Company currently has no women on the Board; however, the Chief Financial Officer is a woman. Other than the Chief Financial Officer, there are no other employees in the Company and therefore utilises external consultants and contractors as and when required. The Board will review this position on an annual basis.
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.	NO	(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 disclose whether or not performance evaluations were conducted during the relevant reporting period. Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
		The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter. The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates. Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.
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 evaluation 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. During the year, an evaluation of performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.
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	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 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

<table>
<tr><th>PRINCIPLES AND RECOMMENDATIONS</th><th>COMPLY (YES/NO)</th><th>EXPLANATION</th></tr>
<tr><td>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.</td><td></td><td></td></tr>
<tr><td>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.</td><td>YES</td><td>
<table>
<tr><th>Board Skills Matrix</th><th>Number of Directors that Meet the Skill</th></tr>
<tr><td>Executive & Non- Executive experience</td><td>5</td></tr>
<tr><td>Industry experience & knowledge</td><td>5</td></tr>
<tr><td>Leadership</td><td>4</td></tr>
<tr><td>Corporate governance & risk management</td><td>3</td></tr>
<tr><td>Strategic thinking</td><td>5</td></tr>
<tr><td>Desired behavioural competencies</td><td>5</td></tr>
<tr><td>Geographic experience</td><td>4</td></tr>
<tr><td>Capital Markets experience</td><td>4</td></tr>
<tr><td>Subject matter expertise:</td><td></td></tr>
<tr><td>- accounting</td><td>4</td></tr>
<tr><td>- capital management</td><td>4</td></tr>
<tr><td>- corporate financing</td><td>4</td></tr>
<tr><td>- industry taxation [1]</td><td>0</td></tr>
<tr><td>- risk management</td><td>5</td></tr>
<tr><td>- legal</td><td>3</td></tr>
<tr><td>- IT expertise [2]</td><td>0</td></tr>
</table>
(1) Skill gap identified however an external taxation firm is employed to maintain taxation requirements.
(2) Skill gap identified however a CTO is employed to take charge of IT requirements</td></tr>
<tr><td>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 the length of service of each director</td><td>YES</td><td>(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.</td></tr>
</table>

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<tr><th>PRINCIPLES AND RECOMMENDATIONS</th><th>COMPLY (YES/NO)</th><th>EXPLANATION</th></tr>
<tr><td></td><td></td><td>(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.</td></tr>
<tr><td>Recommendation 2.4
A majority of the board of a listed entity should be independent directors.</td><td>YES</td><td>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.</td></tr>
<tr><td>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.</td><td>NO</td><td>The Board Charter provides that where practicable, the Chairman of the Board will be a non-executive Director.
Richard Tan is the Chairman and Managing Director of the company and considered independent. The Board has appointed Mr Tan as Chair of the Company, having considered his experience within the industry and his commitment to the success of the Company.</td></tr>
<tr><td>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.</td><td>YES</td><td>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.</td></tr>
<tr><td colspan="3">Principle 3: Act ethically and responsibly</td></tr>
<tr><td>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.</td><td>YES</td><td>(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.</td></tr>
<tr><td colspan="3">Principle 4: Safeguard integrity in financial reporting</td></tr>
<tr><td>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</td><td>NO</td><td>(a) 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 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.</td></tr>
</table>

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
(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 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.		The Board devotes 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 website.
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 [Shareholder Communications Strategy]outlines a range of ways in which

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
		information is communicated to shareholders.
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) ifit 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	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 devotes 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	YES	(a) The Company's 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

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
(b) 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 disclose in relation to each reporting period, whether such a review has taken place.		(a) entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. 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.
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.	NO	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. The Group's Chief Financial Officer reports to the Board regularly regarding financial performance.
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 (iii) the charter of the committee; (iv) the members of the committee; (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 devotes 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. 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.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
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	Details of the Company's policies and practices are included in the 'Remuneration Report' within the Annual Report. Details of compensation for Directors and senior management are also disclosed within the 'Remuneration Report'.
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. Under the Company's Securities Trading Policy, employees are prohibited from entering into transactions or arrangements which could have the effect of limiting their risk relating to an element of their remuneration that has not vest. The Securities Trading Policy can be found on the Company's website. During the half year, there were no equity-based remuneration schemes. (b) A copy of the Company's Corporate Governance Plan is available on the Company's website.

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Success Global Media Limited, being the company ("the Company") and its controlled entities ("Group" or "Consolidated Group"), for the financial year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

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

Key Management Personnel	Position
Tan Poh Choon, Richard	Chairman, Managing Director
Michael Burnett	Chief Executive Officer & Executive Director
Michael Lane	Executive Director
Ivan Oshry	Non-Executive Director
Oliver Tham	Non-Executive Director

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

Principal activities

The principal activities of the Group during the year were organising seminars which promote the business and personal development programmes of world-famous speakers across Australia, United States, United Kingdom, Singapore, Malaysia, Hong Kong and other parts of Asia.

Dividends paid or recommended

No dividends were paid or declared for payment during the financial year.

Operating and financial review

The consolidated loss of the Group as at 31 December 2018 after providing for income tax amounted to $$17,273,347 (31 December 2017: loss was $13,487,104). The Group posted a loss before interest, income tax, depreciation, impairment and amortisation (EBITDA) of $5,786,149 as compared to a net loss of $3,771,111 for the prior year 31 December 2017. The significant increase in loss was due to $11million tokens sold and were not recognised until they are being traded or redeemed for programs. Without this loss, the Group would have posted a net profit before interest, income tax, depreciation, impairment and amortisation of $5.2million, with an increase of $7.9million over the prior year.

Financial Position

The net liabilities of the Group as at 31 December 2018 are $31,708,982. The Group's working capital, being current assets less current liabilities has increased, from a deficiency of $15,205,960 as at 31 December 2017 to a deficiency of $33,957,297 as at 31 December 2018.

The Group posted a consolidated revenue of $51million as compared to $33.7million in previous year with an increase of 51% in total revenue. The increase was mainly due to better performance in two regions, Australia and Singapore. In Australia, the increase was due to better performing National Achievers Congress events and Anthony Robbins' "Date with Destiny" event and addition of new event, "Rich Dad Wealth Masters" events in Brisbane, Melbourne and Sydney. Whilst, Singapore's increase was due to two new events, "Unleash the Power Within" event and Tony Robbins' event in Brazil.

In addition $3.4 million increase in cost of sales was due to increase of $1.4 million for Anthony Robbins "Date with Destiny" event in Australia for the change in venue location and for "Unleash The Power Within" Sydney event, venue was changed to a bigger venue to accommodate a bigger capacity and in Singapore, it was due to "Unleash The Power Within" event which is a new event in 2018 contributing $2million increase in cost of sales.

Operating and financial review (continued)

Financial Position

During the financial year, in determining the recoverability of the loan receivables, management considers any change in the credit quality of the loan receivables from the date credit was initially granted up to the end of the reporting year. Included in the allowance for doubtful debts are individually impaired loan receivables amounting to $4,556,336. The carrying amount of the loans to New Peaks LLC, Success Resources Sdn Bhd, Success Resources Pte Ltd, Success One Pte Ltd and Success Resources South Africa Pty Ltd amounting to $4,779,356 have been fully impaired as the estimated future cash flows are not expected to be sufficient to repay the loans during the term of these loans.

Significant events after the reporting year

There were no other significant events after the balance date.

Environmental regulations

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State of Territory.

Information on the Directors

Tan Poh Choon, Richard	— Chairman, Managing Director
Qualifications/ Experience	— Technical Diploma in Electrical Engineering
	— Chairman of Success Global Media Limited (SGU). Under his leadership, SGU has grown to become the leading seminar company in the world with over 500 events per year and has engaged world renowned speakers including Tony Robbins, Donald Trump, former United States President Bill Clinton, Sir Richard Branson, and Robert Kiyosaki. In 2003, the Singapore government acknowledged Richard's vast achievements as the model for successful entrepreneurs, by awarding him the prestigious Phoenix Award. The Phoenix Award is given to just one successful entrepreneur from Singapore each year. Formerly the Director of Meta Group Asia Pacific, a strategic IT analysis and consultancy firm.
Interest in Shares and Options	— Indirect interest of 34,729,788 (29%) shares held in Success Resources Global Ltd (Cayman Islands) (Ultimate Holding Company and sole shareholder of immediate holding company, Success Resources International Pte Ltd, which holds a 57.6% interest in the Company)
Directorships held in other listed entities over the past 3 years	— Nil

Information on the Directors

Michael Burnett	— Chief Executive Officer & Executive Director
Qualifications/ Experience	— Michael Burnett is one of the most experienced and respected promoters of personal and business development events operating in the world today. Michael has built his formidable reputation through not just presenting world leading programs but creating, organising and packaging an extensive range of personal development, sales, marketing and business training programs, products and services. Michael is recognised for bringing the highest calibre names to his events. In addition to his long association with Anthony Robbins, he has introduced the world's most renowned experts, authors and speakers to attendees across the globe. His numerous recent headlining coups include Sir Richard Branson, Donald Trump, Lord Alan Sugar, Robert Kiyosaki, Jordan Belfort and T HarvEker. With offices in Sydney, Asia, Europe and the USA, his group's management and information systems, and direct sales and marketing systems, are at the leading edge of development in the business and personal training industry, cementing Michael's reputation as one of the world's leading promoters.
Interest in Shares and Options	— Direct interest of 11,250 shares and an indirect interest of 64,120,501 shares
Directorships held in other listed entities over the past 3 years	— Nil

Michael Lane	—	Non-Executive Director
Qualifications/ Experience	—	Michael is a global expert within the personal and professional development industry, successfully running events in Australia, New Zealand, Singapore, Malaysia, South Africa, USA, Europe and the UK. With over 14 years' experience, he is actively involved in all aspects of both small- and large-scale event management including commercial viability, development, promotion, execution and sales management. Michael is an exceptional relationships manager, building and maintaining trusted commercial relationships with many local and international celebrities, speakers and businesses including Donald Trump, Tony Robbins, T HarvEker, Robert Kiyosaki, Mark Bouris of Yellow Brick Road Wealth Management and Sir Richard Branson of the The Virgin Group. With his unique and engaging leadership style, Michael has been instrumental in building teams, creating strong systems and achieving record results not only in Australia but globally.
Interest in Shares and Options	—	Direct interest of 12,150 shares and an indirect interest of 500,000 shares
Directorships held in other listed entities over the past 3 years	—	Nil

Ivan Oshry	—	Non-Executive Director
Qualifications/ Experience		BA LLB H Dip Company Law Dip Tax Law FSIA, Law and Tax
	—	Senior M&A lawyer with corporate advisory experience, dealing with local and international corporate commercial matters, private and public capital and cryptocurrency raisings, private and public equity transactions.
Interest in Shares and Options	—	Direct interest of 13,654 shares and an indirect interest of 149,976 shares
Directorships held in other listed entities over the past 3 years	—	Nil

Oliver Tham	—	Non-Executive Director
Qualifications/ Experience		Bachelor of Mechanical Engineer
	—	Extensive experience in all facets of the Property industry including development of commercial and residential properties in Australia and overseas and master planning of several major project developments in Asia. Mr Tham has helped develop business concepts for IT based companies and assisted several upstart companies which eventually became publicly listed. Mr. Tham is currently undertaking the planning and development of a major Integrated Resorts Development in Bookara Beach in Western Australia.
Interest in Shares and Options	—	Nil
Directorships held in other listed entities over the past 3 years	—	Nil

Information on the Company Secretary

Jay Stephenson	—	Company Secretary
Qualifications	—	Fellow of Certified Practicing Accountants (Canada); Certified Management Accountant (Canada); Member Australian Institute of Company Directors; Master of Business Administration; Fellow Institute of Chartered Secretaries Australia.

Meetings of Directors

During the year,5 meeting of directors was held. Attendances by each director during the year were as follows:

DIRECTORS' MEETINGS		
DIRECTORS	ELIGIBLE TO ATTEND	ATTENDED
Richard Tan Poh Choon	4	4
Michael Lane	4	4
Michael Burnett	4	4
Oliver Tham	4	4
Ivan Oshry	5	5

Indemnification insurance of officers and auditors

The Group has paid premiums to insure all its Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such officer or auditor.

Share options

There have been no options granted over unissued shares or interest of the Company or any controlled entity within the Group during or since the end of the reporting year.

There have been no options issued to directors and executives as remuneration during or since the end of the reporting year.

There have been no options granted over unissued shares or interest of the Company or any controlled entity within the Group during or since the end of the reporting year.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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

Non-audit Services

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

The following fee was paid or payable to Hall Chadwick Sydney for non-audit services provided during the year ended 31 December 2018:

	$
Taxation compliance and advisory services	37,740
	37,740

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2018 has been received and can be found on page 26.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2018 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive Director fee arrangements
5. Details of remuneration
6. Service Agreements
7. Additional disclosures relating to equity instruments
8. Loans to key management personnel (KMP) and their related parties
9. Other transactions and balances with KMP and their related parties

1. Introduction

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparable companies both locally and internationally and the objectives of the Group's compensation strategy.

2. Remuneration governance

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter.

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

3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued to Directors subject to approval by shareholders in a general meeting.

At this stage the Board does not consider the Group's earnings- or earnings-related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development and corporate activities.

When required the Company will formalise remuneration arrangements with executives in employment agreements.

REMUNERATION REPORT (AUDITED)

4. Non-executive Director fee arrangements

The Board policy is to remunerate Non-executive Directors at a level to comparable companies for time, commitment, and responsibilities. Non-executive Directors may receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-executive Directors.

The maximum aggregate amount of fees that can be paid to Non-executive Directors is presently limited to an aggregate of $150,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Total fees for the Non-executive Directors for the financial year were $125,000 (2017: $78,438) and cover main Board activities only. Non-executive Directors may receive additional remuneration for other services provided to the Group.

Details of key management personnel of the Group during the year were:

Executives	**Position**
Tan Poh Choon, Richard	Executive Chairman and Managing Director
Michael Burnett	Chief Executive Officer and Executive Director
Michael Lane	Executive Director
Non- Executives	**Position**
Ivan Oshry	Non-Executive Director
Oliver Tham	Non-Executive Director
Senior Executives	**Position**
Peggy Chan	Chief Financial Officer
Jay Stephenson	Company Secretary

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

REMUNERATION REPORT (AUDITED)

5. Key Management Personnel Remuneration

The remuneration for each director and executive officer of the Group receiving the remuneration during the year was as follows:

31 December 2018	Short-term Benefits			Post-employment Benefits	Total	Total Remuneration Represented by Options	Performance based remuneration
	Cash, salary & commissions	Non-cash Benefit	Other	Superannuation			
	$	$	$	$	$	%	%
Executive Directors							
Richard Tan	660,000	-	-	-	660,000	-	-
Michael Lane	639,056	-	-	-	639,056	-	-
Michael Burnett	602,740	-	-	57,260	660,000	-	-
Non-Executive Directors							
Oliver Tham	5,000	-	-	-	5,000	-	-
Ivan Oshry	120,000	-	-	-	120,000	-	-
Senior Executives							
Peggy Chan[1]	-	-	-	-	-	-	-
Jay Stephenson[2]	-	-	-	-	-	-	-
	2,026,796	-	-	57,260	2,084,056		

[1]Ms Peggy Chan was employed by Success Resources International Pte Ltd (Immediate parent entity) and $295,766 (December 2017: $255,267) remuneration was paid/payable to her during the year.

[2]$23,040 (December 2017: $58,334) was paid/payable to Wolfstar Group for the company secretarial services during the year.

REMUNERATION REPORT (AUDITED)

5. Key Management Personnel Remuneration

The remuneration for each director and executive officer of the Group receiving the remuneration during the year was as follows:

31 December 2017	Short-term Benefits			Post-employment Benefits	Total	Total Remuneration Represented by Options	Performance based remuneration
	Cash, salary & commissions	Non-cash Benefit	Other	Superannuation			
	$	$	$	$	$	%	%
Executive Directors							
Richard Tan	660,000	-	-	-	660,000	-	-
Michael Lane	471,895	-	-	-	471,895	-	-
Michael Burnett	602,740		-	57,260	660,000	-	-
Non-Executive Directors							
Oliver Tham	5,000	-	-	-	5,000	-	-
Ivan Oshry	70,000	-	-	-	70,000		
Brian Forte[1]	-	-	-	-	-	-	-
John Day[1]	3,438	-	-	-	3,438	-	-
Senior Executives							
Peggy Chan[2]	-	-	-	-	-	-	-
Jay Stephenson [3]	-	-	-	-	-	-	-
	1,813,073	-	-	57,260	1,870,333		

5. Service Agreements

Executive Contractor Service Agreement with Blessed Global Pte Ltd

On 1 March 2015, the Group engaged Blessed Global Pte Ltd, a company related to Mr Richard Tan to provide services of management and financial duties normally expected of the position of managing director for Success Resources Global Ltd for the term of 3 years.

In consideration for services provided, Blessed Global was entitled to $420,000 contract fee per annum. On 1 May 2016, there was a deed of variation to increase the contract fee to $660,000 per annum and contract had been extended for a further period of 3 years.

The contractor is also entitled to an annual bonus payment based on the EBITDA earned by the Company in previous financial year. The base incentive is 1.5% of EBITDA earned by the Company is $6million or more but less than $7 million for the financial year 30 June 2015, next level is 2% of EBITDA earned by the Company is $7 million or more but less than $8 million. The bonus increases at the rate of 1.0% of EBITDA for each additional $1 million EBITDA earned by the Company to a maximum of 6% of EBITDA if the EBITDA earned by the Company is $11 million or more but less than $12 million. The bonus increases by an additional 1.5% of EBIDTA earned by the Company is $12 million or more. The milestones for future financial years will be set by the Board each year. This service agreement may be terminated by either party giving to the other 6 months' written notice.

[1]Balance at the date of resignation 31 May 2017.

[2]Ms Peggy Chan was employed by Success Resources International Pte Ltd (Immediate parent entity) and $255,267 (December 2016: $263,832) remuneration was payable to her during the year.

[3]$58,334 (December 2016: $88,301) was paid to Wolfstar Group Pty Ltd for the company secretarial and accounting services, a Company of which Mr Stephenson is a director.

REMUNERATION REPORT (AUDITED)

6. Service Agreements (Continued)

Executive Employment Service Agreement with Michael Burnett

On 1 March 2016, the Group engaged Mr. Michael Burnett to provide services of the position of Chief Executive Officer for Success Resources Global Ltd for the term of 3 years.

In consideration for services provided, Mr. Burnett was entitled to $660,000 base salary per annum. The employee is also entitled to an annual bonus payment based on the EDITDA earned by the Company in previous financial year. The base incentive is 1.5% of EBITDA earned by the Company is $6million or more but less than $7 million for the financial year 30 June 2015. The bonus increases at the rate of 1.0% of EBITDA for each additional $1 million EBITDA earned by the Company to a maximum of 6% of EBITDA if the EBITDA earned by the Company is $11 million or more but less than $12 million. The bonus increases by an additional 1.5% of EBIDTA earned by the Company is $12 million or more. The milestones for future financial years will be set by the Board each year.

This service agreement may be terminated by either party giving to the other 6 months' written notice.

Service Agreement with Wolfstar Corporate Management Pty Ltd

On 14 August 2014, the Group engaged Wolfstar Corporate Management Pty Ltd ("Wolfstar"), a company that provides company secretarial and act as company secretary.

In consideration for company secretarial services provided, Wolfstar was entitled to a monthly retainer of $1,920 (plus GST) for 12 hours per month. Should the time exceed 12 hours in any month, additional time will be charged at an agreed hourly rate. The Company will reimburse Wolfstar for all reasonable out-of-pocket expenses incurred including, but not limited to, printing, courier, travel and of any other advisers and consultants as required.

This service agreement may be terminated by the Company by 1 months' notice at any time.

7. Additional disclosures relating to equity instruments

Shareholdings of KMP*

The number of ordinary shares held by each KMP of the Group during the financial year is as follows:

31 December 2018	Balance at 1 January 2018	Acquired during the year	Exercised during the year	Other changes during the year	Balance at 31 December 2018
Executive Directors					
Richard Tan	34,729,788	-	-	-	34,729,788
Michael Burnett	64,131,751	-	-	-	64,131,751
Michael Lane	512,150	-	-	-	512,150
Non-Executive Directors					
Ivan Oshry	163,630	-	-	-	163,630
Oliver Tham	-	-	-	-	-
Senior Executives					
Peggy Chan	-	-	-	-	-
Jay Stephenson	-	-	-	-	-
Total	99,537,319	-	-	-	99,537,319

- includes shares and options held directly, indirectly, and beneficially by KMP

REMUNERATION REPORT (AUDITED)

7. Additional disclosures relating to equity instruments (Continued)

Shareholdings of KMP*

31 December 2017	Balance at 1 January 2017	Acquired during the year	Exercised during the year	Other changes during the year[1]	Balance at 31 December 2017
Executive Directors					
Richard Tan	34,729,788	-	-	-	34,729,788
Michael Burnett	64,131,751	-	-	-	64,131,751
Michael Lane	512,150	-	-	-	512,150
Non-Executive Directors					
Ivan Oshry	-	163,630	-	-	163,630
Oliver Tham	-	-	-	-	-
Senior Executives					
Peggy Chan	-	-	-	-	-
Directors resigned on 31 May 2017	-	-	-	-	-
Brian Forte	-	-	-	-	-
John Day	545,000	-	-	(545,000)	-
Total	99,918,689	163,630	-	(545,000)	99,537,319

Options Granted as Remuneration

No options were granted as remuneration in December 2018.

KMP Options and Rights Holdings

There were no KMP options and rights holding in December 2018.

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.

8. Loan to Key Management Personnel (KMP) and their related parties

The Group has provided several of its key management personnel with short term loans at rates comparable to the average commercial rate of interest.

The loans to key management personnel are unsecured.

The following table outlines aggregate amounts in relation to loans made to key management personnel to the Group.

[1] Balance at date of resignation.

REMUNERATION REPORT (AUDITED)

8. Loan to Key Management Personnel (KMP) and their related parties (Continued)

	Balance at Beginning of year	Interest Charged	Offset[1]	Provision for Doubtful Debts	Balance at End of year	Number of key management personnel
	$	$		$	$	No.
Key Management Personnel						
31 December 2018	-	-	-	-	-	Nil
31 December 2017	15,284	4,003	(3,438)	-	15,849	1[2]

In October 2005, the Group, with the approval of shareholders, loaned the sum of $160,000 to Mr John Day and $140,000 to Mr Jason Gavin Davis to exercise options and thereby convert those options to shares. The loans are unsecured. The term of the loan is for 5 years from the drawdown year. The interest rate on the loan moneys is the Reserve Bank cash rate plus 1%. Interest payable is offset against the management fee charged by the directors this financial year. On 8 May 2009, the shareholders gave their approval at the General Meeting to vary these loans by extending the termination date from 5 October 2010 to 5 October 2025 and the interest rate remains unchanged.

Mr John Day and Mr Jason Davis resigned on 31 May 2017 and 18 October 2017 respectively from their positions as Director and the Company issued a recall loan letter subsequent to each year end for the outstanding amount of the loan.

8. Other transactions and balances with KMP and their related parties

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Refer to Note 24 for details of transactions.

END OF REMUNERATION REPORT

[1] Refers to the offsetting outstanding loans against accrued directors' fee as approved by the Board.

[2] Refers to resignation of a director, the amount owing at resignation date 31 May 2017.

The directors' report incorporating the remuneration reports is signed in accordance with a resolution of the Board of Directors made pursuant to s298(2) of the Corporations Act 2001.

Richard Tan

Executive Chairman

Dated this 15th March 2019

SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SUCCESS GLOBAL MEDIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

S Kumar

Sandeep Kumar
Partner
Dated: 15 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2018

	Note	31 Dec 2018	31 Dec 2017
		$	$
Revenue	2	**51,035,885**	**33,714,567**
Other income	2	2,447,667	2,684,984
Contract work expenses		(3,262,348)	(2,422,484)
Commission expenses		(14,118,860)	(6,406,031)
Marketing expenses		(8,638,341)	(2,852,384)
Production expenses		(21,299,117)	(18,200,188)
Depreciation expenses		(1,343,167)	(276,609)
Amortisation of intangible assets		(524,300)	(524,300)
Employee benefits expenses		(8,495,149)	(7,032,351)
Fair value changes on cryptocurrencies		(153,899)	(2,688)
Finance costs	3	(3,478,954)	(381,182)
Impairment of assets		(1,466,699)	-
Impairment of goodwill	14	-	(6,741,443)
Net impairment of loan receivables and financial assets		(4,556,336)	(948,290)
IT expenses		(350,869)	(424,801)
Travel and Accommodation expenses		(777,118)	(307,511)
Rental expenses		(484,597)	(667,271)
Other expenses		(1,680,351)	(1,847,451)
Loss before income tax		**(17,146,553)**	**(12,635,433)**
Income tax benefit/(expense)	4	(126,794)	(851,671)
Loss for the year		**(17,273,347)**	**(13,487,104)**
Other comprehensive loss			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations		(1,695,644)	(35,017)
Other comprehensive loss for the year		**(1,695,644)**	**(35,017)**
Total comprehensive loss attributable to members of the parent entity		**(18,968,991)**	**(13,522,121)**
Loss per share		**Cents per share**	**Cents per share**
Basic and diluted loss per share	6	(6.05)	(4.72)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Success Global Media Limited and Controlled Entities

ABN 60 091 509 849

Annual Report 31 December 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 Dec 2018	31 Dec 2017
		$	$
Assets			
Current Assets			
Cash and cash equivalents	7	4,199,209	6,598,365
Trade and other receivables	8	3,622,202	5,142,742
Other assets	11	3,267,846	3,151,732
Total Current Assets		11,089,257	14,892,839
Non-Current Assets			
Plant and equipment	13	1,076,373	1,181,225
Intangible assets	14	3,075,942	3,266,327
Total Non-Current Assets		4,152,315	4,447,552
Total Assets		15,241,572	19,340,391
Liabilities			
Current Liabilities			
Trade and other payables	15	25,167,753	15,431,578
Contract liabilities	16	10,306,137	13,042,443
Provisions	17	225,803	219,798
Financial liabilities	18	9,346,861	1,404,980
Total Current Liabilities		45,046,554	30,098,799
Non-Current Liabilities			
Provisions	17	112,369	94,234
Financial liabilities	18	1,791,631	1,887,349
Total Non-Current Liabilities		1,904,000	1,981,583
Total Liabilities		46,950,554	32,080,382
Net (Liabilities)/Assets		(31,708,982)	(12,739,991)
Equity			
Issued capital	19	56,940,124	56,940,124
Reserves	22	(19,396,744)	(17,701,100)
Accumulated losses		(69,252,362)	(51,979,015)
Total Equity		(31,708,982)	(12,739,991)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Common Control Reserve	Total
	$	$	$	$	$
Balance at 1 January 2017	**56,940,124**	**(38,491,911)**	**319,454**	**(17,985,537)**	**782,130**
Comprehensive loss					
Loss for the year	-	(13,487,104)	-	-	(13,487,104)
Other comprehensive income for the year	-	-	(35,017)	-	(35,017)
Total comprehensive loss	**-**	**(13,487,104)**	**(35,017)**	**-**	**(13,522,121)**
Balance at 31 December 2017	**56,940,124**	**(51,979,015)**	**284,437**	**(17,985,537)**	**(12,739,991)**
Balance at 1 January 2018	**56,940,124**	**(51,979,015)**	**284,437**	**(17,985,537)**	**(12,739,991)**
Comprehensive loss					
Loss for the year	-	(17,273,347)	-	-	(17,273,347)
Other comprehensive income for the year	-	-	(1,695,644)	-	(1,695,644)
Total comprehensive loss	**-**	**(17,273,347)**	**(1,695,644)**	**-**	**(18,968,991)**
Balance at 31 December 2018	**56,940,124**	**(69,252,362)**	**(1,411,207)**	**(17,985,537)**	**(31,708,982)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 DECEMBER 2018

	Note	31 Dec 2018 $	31 Dec 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		52,083,088	46,064,861
Payments to suppliers and employees		(55,856,632)	(40,852,923)
Interest received		1,550	3,438
Interest paid		(162,179)	(381,838)
Income tax paid		(126,794)	(122,537)
Net cash (used in)/ provided by operating activities	21	(4,060,967)	4,711,001
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to related parties		(54,543)	(6,674,820)
Payments for purchase of plant and equipment		(2,664,691)	(565,621)
Payment of loans by related parties		-	5,014,896
Proceeds from joint venture		-	1,005,849
Net cash used in investing activities		(2,719,234)	(1,219,696)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		6,442,661	-
Payment of interest from borrowings		(1,798,823)	-
Proceeds from related parties		38,484	3,544,374
Hire purchase repayments		(11,615)	(6,766)
Payments made to related entities		(183,289)	(2,785,232)
Payments made to unrelated entities		-	(95,722)
Net cash provided by financing activities		4,487,418	656,654
Net increase in cash held		(2,292,783)	4,147,959
Effect of movement in exchange rates on cash held		(106,373)	762
Cash and cash equivalents at beginning of financial year		6,598,365	2,449,644
Cash and cash equivalents at end of financial year	7	4,199,209	6,598,365

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate information

The consolidated financial statements of Success Global Media Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of directors on 13 March 2018. The Group is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on Australian Stock Exchange (ASX). The Company requested that it be suspended from ASX on 27 December 2017 and remains suspended on the date of approval of consolidated financial statements.

Basis of Preparation

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

This financial report includes the consolidated financial statements and notes of Success Global Media Limited and controlled entities ("Consolidated Group" or "Group").

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS"). Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group shows a loss after tax of $17,273,347 and a deficiency of working capital of $33,957,297 as at 31 December 2018.

Notwithstanding the above, the directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

(a) The loss after tax is partly attributable to one off impairment of loan receivables during the year amounting to $4,556,336.

(b) The deficiency of working capital is impacted as result of Success's tokens $11,085,431 being included in trade and other payables and contract liabilities of $10,306,137 in accordance with the group's accounting policy. This revenue is deferred until the seminars or events are held. These seminars or events will be held within the next twelve months. Of which, $11million tokens were sold but not recognised at this point until they are being traded or redeemed for programs.

(c) The Group currently has a cash reserve of $4,199,209 as at 31 December 2018 and over the forthcoming financial year expects to receive further net cash inflows from operating activities of circa $4.61million. Confirmed events for the next financial year include Millionaire Mind Intensive, National Achievers Congress, Anthony Robbins, Mark Bouris, Gary Vee and Grant Cardone's programs across Australia, Malaysia and Singapore.

(d) The Directors believe that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis.

(b) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Comparative Figures

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

(d) Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

►Capital management **Note 19c**

► Impairment of loan receivables and financial assets **Note 8**

►Financial instruments risk management and policies **Note 20**

►Sensitivity analyses disclosures

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

During the financial year, allowance for doubtful debts are individually impaired loan receivables amounting to $4,556,336. The carrying amount of the loans to New Peaks LLC, Success Resources Sdn Bhd, Success Resources Pte Ltd, Success One Pte Ltd, and Success Resources South Africa amounting to $4,779,356 have been fully impaired as the estimated future cash flows are not expected to be sufficient to repay the loans during the term of these loans.

Impairment of assets

An impairment loss on mining machine was fully recognised for an amount of $1,466,699 by which the asset's carrying amount exceeds its recoverable amount.

Estimation of Useful life of trademarks and brands

The useful lives and residual values of the Group's assets are determined by management at the time the asset was acquired. The lives are based on historical experience with similar assets as well as anticipation of the future events which may impact their life.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) New and Amended Accounting Policies Adopted by the Group

The Group applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Group. The Groups has not early adopted any standards, interpretation or amendments that have been issued but are not yet effective.

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 January 2018. The Standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business models whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets that are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity investments (that are not held-for trading or contingent consideration recognised in business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset maybe irrevocably designated as measured at fair value through profit or loss, the standard requires the portion of the change in fair value that related to the entity's own risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measure expected credit losses using lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new-contract base revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts customers are presented in an entity's performance and the customer's payment. Customer acquisition costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The following Australian Accounting Standards have been issued or amended and are applicable from 1 January 2019 of the consolidated group (or the company) but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

Australian Accounting Standards

AASB No.	Title	Application date of standard *	Issue date
AASB 16	Leases	1 January 2019	February 2017
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019	June 2018

* Annual reporting periods beginning after

The table is complete as at 31December 2018, therefore any further standards/interpretations issued after this date will also need to be disclosed up until the date of authorisation of the financial report.

The Company has decided not to early adopt any of the new and amended pronouncements. The impact of the above standards is outlined below.

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
AASB 16 Leases	The key features of AASB 16 are as follows: Lessee accounting: • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made	1 January 2019	1 January 2019

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
	in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting: • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: (a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases-Incentives SIC-27 Evaluating the Substance of Transaction Involving the Legal Form of a Lease. **Impact on Success Global Media Limited** The Group have assessed that its leases for which it currently has commitments amounting to $3,687,567 will go on balance sheet impacting asset and liability balances for future lease commitments based on the current leases where the company is a lessee. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. No significant impact is expected for the Group's finance leases.		

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Group
	Transition The Group plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.		

NOTE 2: REVENUE AND OTHER INCOME

The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in **Note 1(e).** Due to the transition method chosen in applying IFRS 15, comparative information has not been restated to reflect the new requirements.

Revenue recognition

Revenue is mainly generated by the Group from organising seminars which promote the business and personal development programmes of world-famous speakers across Australia, Singapore, Hong Kong, Malaysia, and other parts of Asia. Such seminars are recognised as a performance obligation is satisfied at the point in time of event being held.

Revenue from providing services is recognised in the accounting period in which the services are rendered i.e. when the seminar or event are delivered to the customers and is measured at a fixed-transaction price stated on the contract.

The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is recognised as revenue upon delivery of the seminar or event.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Commission income is recognised when the Group's right to receive payment is established.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

a. Disaggregated revenue

The Group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by geographical market, products/service lines and timing of revenue recognition.

		2018 $	2017 $
	Geographical markets		
	Australia	27,186,724	20,173,693
	Singapore	16,963,810	5,455,831
	Hong Kong	5,990,005	5,884,663
	Malaysia	895,346	2,200,380
	Total	**51,035,885**	**33,714,567**
b.	**Other sources of revenue**		
—	Interest income – unrelated parties	9,052	7,502
—	Management fee income – related parties	1,134,065	715,408
—	Other income – unrelated parties	665,406	1,394,336
—	Other income – related parties	639,144	567,738
		2,447,667	2,684,984

NOTE 3: LOSS FOR THE YEAR

Transactions 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.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

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

Group companies

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

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the year in which the operation is disposed of.

Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting year in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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 result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting year.

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 consolidated group, are classified as finance leases.

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

NOTE 3: LOSS FOR THE YEAR (CONTINUED)

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

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

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

	31 Dec 2018	31 Dec 2017
	$	$
Loss before income tax includes the following specific items:		
Expenses		
Cost of sales	47,318,666	29,881,087
Interest expense on financial liabilities not classified at fair value through profit or loss:		
— Unrelated parties	3,412,570	381,182
— Related party	66,384	-
Total finance costs	3,478,954	381,182
Foreign currency translation loss	118,805	140,107
Plant and equipment written-off	27,456	2,137
Net Loss/(write back) allowance on financial assets and other items:		
— Net write back on trade and other receivables	(223,020)	-
— Net Loss allowance on other financial assets measured at amortised cost:		
— related parties	4,779,356	948,290

NOTE 4: INCOME TAX

The income tax expense (revenue) 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 the end of the reporting year. 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 directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable 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 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.

Tax consolidation

Success Global Media Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2003.

Key Judgments — Deferred tax assets

Deferred tax assets are recognised for deductible temporary difference and unused tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. During the year, Management concluded that it was not probable that future taxable profits will be utilised in the short term and hence write off all temporary difference and unused tax losses.

		31 Dec 2018	31 Dec 2017
		$	$
a.	The components of tax expense comprise:		
	Current tax	126,794	91,091
	Deferred tax	-	729,133
	Under provision of income tax prior year	-	31,447
		126,794	851,671

NOTE 4: INCOME TAX (CONTINUED)	31 Dec 2018	31 Dec 2017
	$	$

b. The prima facie tax expense on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	31 Dec 2018 $	31 Dec 2017 $
Loss before income tax	(17,146,553)	(12,632,745)
Prima facie tax expense on loss from ordinary activities before income tax at 30% (2017: 30%)	(5,143,966)	(3,789,823)
Add/(less) tax effect of:		
— Revenue losses and other deferred tax balances not recognised	1,028,363	1,605,268
— Impairment of goodwill	-	2,022,433
— Impairment of loan receivables	1,366,901	9,679
— Impairment of assets	440,010	-
— Amortisation of intangibles	157,290	157,290
— Other non-deductible items	11,921	213,219
— Interest on borrowings	975,117	-
— Differences in overseas tax rates	1,291,158	609,483
— R&D Rebate and tax incentive	-	(7,325)
— Under provision for income tax in prior year	-	31,447
Income tax expense	126,794	851,671

The tax rate used for Australian entities for December 2018 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

The tax rate used for Singapore and Hong Kong entities for December 2018 reconciliation above is the corporate tax rate of 17% payable by Singaporean corporate entities on taxable profits under Inland Revenue Authority of Singapore. As of 31 December 2018, there are no tax liabilities incurred.

The tax rate used for Malaysia for December reconciliation above is the corporate tax rate of 24% payable by Malaysian corporate entity on taxable profits under Lembaga Hasil Negeri Malaysia. As of 31 December 2018, $126,794 of income tax was paid.

c. **Deferred tax (assets)/ liabilities**

	31 December 2018				31 December 2017			
	Opening Balance	Charged to Income	Charged to Equity	Closing Balance	Opening Balance	Charged to Income	Charged to Equity	Closing Balance
Group	$	$		$	$	$	$	$
Deferred tax liabilities								
Prepayments	-	-	-	-	-	-	-	-
Balance at 31 December	-	-	-	-	-	-	-	-
Deferred tax assets								
Share issue expenses	-	-	-	-	(51,745)	51,745	-	-
Impairment losses	-	-	-	-	-	-	-	-
Others	-	-	-	-	(495,492)	495,492	-	-
R&D tax offsets	-	-	-	-	(181,896)	181,896	-	-
Balance at 31 December	-	-	-	-	(729,133)	729,133	-	-

NOTE 4: INCOME TAX (CONTINUED)

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

NOTE 5: AUDITORS' REMUNERATION	**31 Dec 2018**	**31 Dec 2017**
	$	**$**
Remuneration of the auditor for:		
Hall Chadwick Australia		
— Auditing or reviewing the financial report	112,128	102,150
— Taxation compliance and advisory services	37,740	33,415
	149,868	135,565
Other auditors – Singapore		
— Auditing or reviewing the financial report	39,486	26,076
Other auditors – Malaysia		
— Auditing or reviewing the financial report	5,634	5,152
Other auditors – Hong Kong		
— Auditing or reviewing the financial report	20,860	20,082
	215,848	186,875

NOTE 6: LOSS PER SHARE (EPS)	**31 Dec 2018**	**31 Dec 2017**
Basic earnings per share	**$**	**$**
a. Loss used to calculate basic and diluted EPS	(17,273,347)	(13,487,104)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	285,420,835	285,420,835
Weighted average number of shares outstanding during the year	285,420,835	285,420,835

NOTE 7: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

	31 Dec 2018	**31 Dec 2017**
	$	**$**
Cash at bank and in hand	4,199,209	6,598,365
	4,199,209	6,598,365

The effective interest rate on short-term bank deposits 0.02% (31 Dec 2017: 0.03%). These deposits have an average maturity of 90 days.

NOTE 8: TRADE AND OTHER RECEIVABLES

Significant Accounting Policies

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting year are classified as current assets. All other receivables are classified as non-current assets.

The Group uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

– the simplified approach

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

– trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and contain a significant financing component; and

– lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

Evidence of credit impairment includes:

– significant financial difficulty of the issuer or borrower;

– a breach of contract (e.g. default or past due event);

– a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;

– high probability that the borrower will enter bankruptcy or other financial reorganisation; and

– the disappearance of an active market for the financial asset because of financial difficulties.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Key Judgments — Impairment of receivables

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

NOTE 8: TRADE AND OTHER RECEIVABLES

		31 Dec 2018	31 Dec 2017
		$	$
Current			
Trade receivables		3,258,860	1,597,523
Less: Provision for impairment	a	(229,030)	(100,028)
		3,029,830	1,497,495
Trade receivables from related parties		677,535	5,176,623
Less: Provision for impairment	a	(677,535)	(2,687,864)
		-	2,488,759
Other receivables from related parties		28,660,917	22,022,315
Less: Provision for impairment	a	(28,660,917)	(21,727,426)
		-	294,889
Amounts receivable from former directors of parent entity		292,137	284,635
Less: Provision for impairment	a	(257,580)	(257,580)
		34,557	27,055
Other receivables		1,208,962	834,544
Less: Provision for impairment	a	(651,147)	-
		557,815	834,544
Total current trade and other receivables		**3,622,202**	**5,142,742**

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: *Financial Instruments*.

NOTE 8: TRADE AND OTHER RECEIVABLES (CONTINUED)

		Opening Balance Under AASB 139	Adjustment for AASB 139	Net measurement of loss allowance	Reclassification[1]	Amount written off	Closing Balance
a.	**Lifetime Expected Credit loss: Credit Impaired**	**$**	**$**	**$**	**$**	**$**	**$**
31 December 2018							
(i)	Current trade receivables	100,028	-	-	129,002	-	229,030
(ii)	Current related parties	24,415,290	-	5,865,863	(942,701)	-	29,338,452
(iii)	Other receivables	-	-	(162,554)	813,699	-	651,145
(iv)	Non-current receivables	257,580	-	-	-	-	257,580
		24,772,898	-	5,703,309	-	-	30,476,207
31 December 2017							
(i)	Current trade receivables	670,799	-	-	(570,771)	-	100,028
(ii)	Current related parties	22,879,584	-	964,935	570,771	-	24,415,290
(iii)	Non-current related parties	257,580	-	-	-	-	257,580
		23,807,963	-	964,935	-	-	24,772,898

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2018 is determined as follows; the expected credit losses also incorporate forward-looking information.

The "amounts written off" are all due to customers declaring bankruptcy, or term receivables that have now become unrecoverable.

[1] Being reclassification of Success Resources China to other receivables as the Company no longer a related party.

NOTE 8: TRADE AND OTHER RECEIVABLES (CONTINUED)

	Gross amount	Loss allowing provision	Expected loss rate	Past due but not impaired (days overdue)				
				< 30	31–60	61–90	> 90	Total
31 December 2018	$	$	%	$	$	$	$	$
Trade receivables	3,258,860	(229,030)	7	517,493	727,458	360,131	1,424,748	3,029,830
Trade and other receivables from related parties	29,338,452	(29,338,452)	100	-	-	-	-	-
Loans to former directors	292,137	(257,580)	88	-	-	-	34,557	34,557
Other receivables	1,208,962	(651,147)	54	-	-	-	557,815	557,815
Total	34,098,411	(30,476,209)		517,493	727,458	360,131	2,017,120	3,622,202

	Gross amount	Loss allowing provision	Expected loss rate	Past due but not impaired (days overdue)				
				< 30	31–60	61–90	> 90	Total
31 December 2017	$	$	%	$	$	$	$	$
Trade receivables	1,597,523	(100,028)	6	282,847	463,275	203,703	547,670	1,497,495
Trade and other receivables from related parties	27,198,938	(24,415,290)	90	-	-	-	2,783,648	2,783,648
Loans to former directors	284,635	(257,580)	90	-	-	-	27,055	27,055
Other receivables	834,544	-	-	-	-	-	834,544	834,544
Total	29,915,640	(24,772,898)		282,847	463,275	203,703	4,192,917	5,142,742

NOTE 8: TRADE AND OTHER RECEIVABLES (CONTINUED)

b. Credit risk

The Group has no significant concentration of credit risk in respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

Amounts receivable from related parties are assessed individually to determine whether there is objective evidence that impairment has been incurred. For these receivables, the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the related entities
- Default in payments
- Unfavourable future budgeted cash flows

As a result, as at 31 December 2018, the Group has recognised impairment losses of $296,782 for the receivables from Success Resources South Africa Pty Ltd, $69,015 for the receivables from Success Resources Pte Ltd, $4,315,459 for the receivables from New Peaks LLC, $3,501 for the receivables from Success Resources Sdn. Bhd., $94,599 for the receivables from Success One Pte Ltd and $223,021 write back of receivables for Success Resources China.

On a geographical basis, the Group’s exposure to credit risk for receivables at the end of the reporting year in those regions is as follows:

	31 Dec 2018	31 Dec 2017
	$	$
Australia	53,531	640,954
Singapore	2,115,935	3,689,863
Malaysia	1,339,371	811,925
Hong Kong	113,365	-
	3,622,202	5,142,742

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. As at 31 December 2018, trade receivables of $1,688,333 were past due but not impaired. These relate to numbers of independent customers for whom there is no recent history of default.

c. Collateral Held as Security

There is no collateral held for security

	31 Dec 2018	31 Dec 2017
d. **Financial assets classified as loans and receivables**	$	$
Trade and other receivables:		
– total current	3,622,202	5,142,742
Financial assets as trade and other receivables	3,622,202	5,142,742

NOTE 9: JOINT VENTURE AND JOINT OPERATIONS

Significant Accounting Policies

Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income.

Profit or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Information about Joint Operations

a. **Information about Joint Operations**

Success Global Media Limited (the parent) holds a 50% interest in a joint arrangement structured as a strategic partnership between the Group and Success Resources USA LLC ("SRUSA"). The principal place of business of the joint operation is the USA and the primary purpose of the joint arrangement is to promote and conduct seminars. Under the collaboration agreement, the group is entitled to 50% of the net profits earned by SRUSA in respect of each seminar.

The collaboration between both parties is classified as a joint operation. Accordingly, the parent's interests in the assets, liabilities, revenue and expenses attributable to the joint operation have been included in the appropriate line items in the consolidated financial statements.

The Group has recognised an aggregated share of net loss from Success Resources USA LLC amounting to $nil (31 Dec 2017: $nil). Revenues and expenses brought to account under this arrangement are $nil (31Dec 2017: $nil) and $nil (31 Dec 2017: $nil) respectively.

b. **Commitments and Contingent Liabilities in Respect of Joint Operations**

In accordance with the agreement, Success Global Media Limited is committed to lend or advance funds up to a maximum of US$4 million to SRUSA when required. As at 30 June 2014, the Group has advanced $2,503,820 to the joint arrangement operations. At the end of June 2014 reporting period, a full impairment of $2,503,820 was recognised in the Company's profit or loss as the estimated future cash flows of the investment are not expected to be sufficient to enable the advances to be repaid within the term of the collaboration agreement. No further funds were advanced in December 2015.

c. **Summarised Financial Information for Joint Operations**

The Group's share of net assets employed in Success Resources USA LLC that are included in the consolidated financial statements are as follows:

	31 Dec 2018	31 Dec 2017
Summarised Financial Position	**$**	**$**
Current liabilities:		
Trade and other payables	(737,478)	(737,478)
Financial liabilities	-	-
Total Current Liabilities	(737,478)	(737,478)
Net liabilities in SRUSA joint operations	**(737,478)**	**(737,478)**

NOTE 10: FINANCIAL ASSETS

Significant Accounting Policies

Refer to Note 19 for details

Key Judgments — Held-to-maturity financial assets

In the previous year, the Board reviewed the Group's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and confirmed the indication of impairment due to unfavourable forecast results on the future cash projections that casts a doubt on the Company's ability to repay the loan even if the Company extended the term. Accordingly, the carrying amount of the held-to-maturity financial assets was fully impaired.

		31 Dec 2018	31 Dec 2017
Non-Current		$	$
Held-to-maturity financial assets	a	-	-

a. **Held-to-maturity investments**	31 Dec 2018	31 Dec 2017
	$	$
Promissory notes at cost	2,383,262	2,383,262
Less: Provision for impairment	(2,383,262)	(2,383,262)
	-	-

Promissory notes classified as held-to-maturity investments with a carrying amount of $nil (Dec2017: $nil) bear no interest as the note was fully impaired.

Held-to maturity financial assets includes the following investments held in related entities:

- New Peaks LLC [1]	2,383,262	2,383,262
Less: Provision for impairment	(2,383,262)	(2,383,262)
	-	-

[1] The Directors have assessed the indicators of impairment of the promissory note to New Peaks LLC which was due on 31 December 2014. The financial assets are considered to be fully impaired by $2,383,262 due to deficit in the net tangible assets of New Peaks LLC and unfavourable forecast results on the future cash projections that casts a doubt on the Company's ability to repay the loan even if the Company extended the term.

NOTE 11: OTHER ASSETS	31 Dec 2018	31 Dec 2017
	$	$
Current		
Prepayments	3,267,846	3,151,732

Prepayments represents deferred expenditures over a period of 12 months.

NOTE 12: CONTROLLED ENTITIES

Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

NOTE 12: CONTROLLED ENTITIES (CONTINUED)

On 1 January 2015, the Company acquired the intellectual property and business assets of Success Resources Singapore Pte Ltd and Success Resources Malaysia Sdn Bhd. Both the entities were controlled by the same major individual shareholder. Business combinations involving entities under common control are outside the scope of AASB 3 and there is no specific AASB guidance. Accordingly, the Directors used their judgement to develop an accounting policy that is relevant and reliable, in accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors. In the Directors' view, the most relevant and reliable accounting policy is the pooling of interests' method prescribed under US GAAP SFAS 141, Business Combinations.

Under the pooling of interests' method, the acquirer accounts for the combination as follows:

- The assets and liabilities of the acquiree are recorded at their book values
- No goodwill is recorded. The difference between the carrying value of net assets acquired and consideration paid is recorded in the common control reserve in other comprehensive income
- Any expenses of the combination are written off immediately in the statement of profit or loss

Details of Group's subsidiaries at the end of the reporting period are as follows:

	Country of Incorporation	Percentage Owned *	
		31 Dec 2018	31 Dec 2017
Subsidiaries of Success Global Media Limited:		%	%
DataHQ Pty Limited[1]	Australia	-	100
Hometrader Pty Limited[1]	Australia	-	100
Success Resources Australia Pty Ltd	Australia	100	100
Empowernet International Pty Ltd	Australia	100	100
Success Resources Malaysia Group SdnBhd	Malaysia	100	100
Success Resources Singapore Pte Ltd	Singapore	100	100
New Tycoon Global Limited	Hong Kong	100	100
Successlife Global Pte Ltd[2]	Singapore	100	-

* The proportion of ownership interest is equal to the proportion of voting power held.

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

1 The subsidiary company was deregistered last year.

2 The subsidiary company was incorporated on 25 October 2018.

NOTE 13: PLANT AND EQUIPMENT

Significant Accounting Policies

Plant and equipment are measured on the cost basis where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they are incurred.

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the 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.

NOTE 13: PLANT AND EQUIPMENT (CONTINUED)

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

Class of Fixed Asset	Depreciation Rate
Office equipment	10% – 37.5%
Furniture and Fittings	20%
Computer equipment	20%
Mining Machines	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

		31 Dec 2018	31 Dec 2017
		$	$
Office Equipment			
At cost		511,243	466,141
Accumulated depreciation		(362,964)	(314,910)
		148,279	151,231
Furniture and Fittings			
At cost		619,990	442,326
Accumulated depreciation		(220,566)	(166,120)
		399,424	276,206
Computer Equipment			
At cost		4,384,494	1,706,102
Accumulated depreciation		(2,300,143)	(952,314)
Provision for impairment of assets		(1,555,681)	-
		528,670	753,788
	a	**1,076,373**	**1,181,225**

NOTE 13: PLANT AND EQUIPMENT (CONTINUED)

a. **Movements in Carrying Amounts**

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Office Equipment	Furniture and Fittings	Computer Equipment	Total
	$	$	$	$
Balance at 1 January 2018	**151,231**	**276,206**	**753,788**	**1,181,225**
Additions	22,117	242,770	2,399,804	2,664,691
Disposals	(5,090)	-	(13,928)	(19,018)
Impairment	-	-	(1,466,699)	(1,466,699)
Written off	(969)	(26,488)	-	(27,457)
Exchange differences	16,569	11,409	58,820	86,798
Depreciation expense	(35,579)	(104,473)	(1,203,115)	(1,343,167)
Balance at 31 December 2018	**148,279**	**399,424**	**528,670**	**1,076,373**
Balance at 1 January 2017	**122,805**	**113,478**	**579,912**	**816,195**
Additions	67,915	210,278	396,404	674,597
Disposals	-	-	-	-
Written back	-	(14,039)	(911)	(14,950)
Exchange differences	(7,768)	(1,840)	(8,400)	(18,008)
Depreciation expense	(31,721)	(31,671)	(213,217)	(276,609)
Balance at 31 December 2017	**151,231**	**276,206**	**753,788**	**1,181,225**

NOTE 14: INTANGIBLE ASSETS

Significant Accounting Policies

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the year in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

NOTE 14: INTANGIBLE ASSETS (CONTINUED)

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method)*. In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill are monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Intangibles Other than Goodwill

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Cryptocurrencies

Cryptocurrencies are indefinite life intangible assets initially recognised at cost. Cryptocurrencies are subsequently measured at fair value by reference to the quoted price in the appropriate active cryptocurrency market.

Increases or decreases in the fair Value of the assets are credited or debited to profit or loss.

On disposal of cryptocurrencies associated with those currencies is translated directly to the profit or loss.

Estimation of useful lives

The useful lives and residual values of the Group’s assets are determined by management at the time the assets are acquired. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life.

The following is a summary of the useful lives:

Intangible assets	Useful Life
Brand Names	Indefinite
Customer Databases	5 years
Speaker Relationships	10 years

Impairment of Assets

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

Impairment testing is performed annually for goodwill, brands and trademarks.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Key Judgements – Impairment of goodwill

Determining whether goodwill is impaired requires an assessment of the carrying value of goodwill. A value in use calculation was prepared by management to estimate the future cash flows expected to arise from the event management business in Australia at a suitable discount rate in order to calculate the net present value. The carrying amount of intangible assets at 31 December 2018 was $3,075,942. A full impairment of goodwill amounting to $6,741,443 was recognised in the prior year.

NOTE 14: INTANGIBLE ASSETS (CONTINUED)

	31 Dec 2018	31 Dec 2017
	$	$
Goodwill:		
Cost	20,398,280	20,398,280
Accumulated impairment losses	(20,398,280)	(20,398,280)
Net carrying amount	-	-
Speakers' relationships:		
Cost	2,327,000	2,327,000
Accumulated amortisation	(930,800)	(698,100)
Net carrying amount	1,396,200	1,628,900
Trademarks and Brands:		
Cost	870,000	870,000
Net carrying amount	870,000	870,000
Customer Databases:		
Cost	1,458,000	1,458,000
Accumulated amortisation	(1,166,400)	(874,800)
Net carrying amount	291,600	583,200
Cryptocurrencies, at fair value	518,142	184,227
Total non-current intangible assets	**3,075,942**	**3,266,327**

	Speakers' relationships	Trademarks & Brands	Customer Databases	Crypto-currencies	Total
	$	$	$	$	$
Year ended 31 December 2018					
Balance at the beginning of the year	1,628,900	870,000	583,200	184,227	3,266,327
Additions	-	-	-	180,016	180,016
Fair Value on Crypto				153,899	153,899
Amortisation charge	(232,700)	-	(291,600)	-	(524,300)
Impairment losses	-	-	-	-	-
Closing value at 31 December 2018	1,396,200	870,000	291,600	518,142	3,075,942

NOTE 14: INTANGIBLE ASSETS (CONTINUED)

	Goodwill	Speakers' relationships	Trademarks & Brands	Customer Databases	Crypto-currencies	Total
	$	$	$	$	$	$
Year ended 31 December 2017						
Balance at the beginning of the year	6,741,443	1,861,600	870,000	874,800	-	10,347,843
Additions	-	-	-	-	184,227	184,227
Amortisation charge	-	(232,700)	-	(291,600)	-	(524,300)
Impairment losses	(6,741,443)	-	-	-	-	(6,741,443)
Closing value at 31 December 2017	-	1,628,900	870,000	583,200	184,227	3,266,327

Impairment disclosures

Goodwill is allocated to cash-generating units which are based on the Group's reporting segments:

	31 Dec 2018	31 Dec 2017
	$	$
Event management segment – Australia	-	6,741,443

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year periods using an estimated growth rate. The carrying amount of the event management segment in Australia has remained the same as previous year as no impairment indication noted.

The following assumptions were used in the value-in-use calculations for Year ended 31 December 2017:

Event management segment – Australia	Turnover Rate	Discount Rate
Year 1 – Year 5	5%	15%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

During last financial year, the Board had decided to fully impair the remaining balance of goodwill as the event management business has fallen short of its projected target revenues.

NOTE 15: TRADE AND OTHER PAYABLES

Significant Accounting Policies

Trade and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the Group during the reporting year which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

	31 Dec 2018	31 Dec 2017
	$	$
Current		
Unsecured liabilities:		
Trade payables	1,744,116	2,439,003
Sundry payables and accrued expenses	7,494,251	4,852,591
Success's tokens[1]	11,085,431	5,233,432
Trade payables to related parties	2,027,246	1,422,337
Other payables to related parties	2,816,709	1,484,215
Total current trade and other payables	**25,167,753**	**15,431,578**

a. **Financial liabilities at amortised cost classified as trade and other payables**

Trade and other payables:		
– total current	25,167,753	15,431,578
– total non-current	-	-
Financial liabilities as trade and other payables	**25,167,753**	**15,431,578**

NOTE 16: CONTRACT LIABLITIES

Amounts received in advance of delivery for services	10,306,137	13,042,443
Total contract liabilities	10,306,137	13,042,443
Current	10,306,137	13,042,443
Non-current	-	-
	10,306,137	13,042,443

A contract liability is recognised in relation to revenue associated with the seminar or events held where consideration received in advanced. Refer to Note 2 for the revenue recognition policy.

Significant changes in contract assets and liabilities

There were no significant changes in the contract liability balances during the 2018 year.

[1]Being cryptocurrencies received and services yet to be rendered.

NOTE 17: PROVISIONS

Significant Accounting Policies

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave 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.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

	31 Dec 2018	31 Dec 2017
	$	$
Current		
Employee benefits	225,803	219,798
Non-Current		
Employee benefits	112,369	94,234
	338,172	314,032

NOTE 18: FINANCIAL LIABILITIES

	Note	31 Dec 2018	31 Dec 2017
		$	$
Current			
Unsecured liabilities:			
Loan from related parties	a	617,120	578,636
Loan from unrelated parties	a	698,604	645,003
Loan from directors	b	118,306	165,039
Loan for mining operation	c	7,894,230	-
Hire purchase liabilities		18,601	16,302
		9,346,861	1,404,980
Non-Current			
Loan from directors	b	1,324,840	1,407,600
Convertible loan notes	d	411,849	411,849
Hire purchase liabilities		54,942	67,900
Total financial liabilities		1,791,631	1,887,349

NOTE 18: FINANCIAL LIABILITIES (CONTINUED)

a. **Loans from related and unrelated parties**

Loans from related parties amounted to $617,120 (31 Dec 2017: $578,636) and bear no interest and are repayable on demand.

Loan from Lee Song Teck amounting to $698,604 (31 Dec 2017: $645,003) bears no interest and has no fixed repayment date.

b. **Director and Executive Loans**

Short term and long-term loans from directors amounting to $1,443,146 (31 Dec 2017 :$1,572,639) will not be recalled within the next twelve months from the date of signing this report. The purpose of these loans was to finance the Group's activities and operations in the United States.

c. **Loan from mining operation**

The amount represented principal outstanding in respect of loans obtained from independent third parties for financing the Company's mining operation and also the interest accrued, which are interest bearing ranges at 3-6% per month and with an average loan term of 7 months.

d. **Convertible loan notes**

The Group's liabilities include an amount of $411,849 (31 Dec 2017: $411,849) which relates to the convertible loan note which has a due date which is the earlier of:

i. such date as Success Resources International Pte Ltd (the Note holder) may specify in writing to the Group to its sole and absolute discretion; and

ii. that date which is 5 years from the settlement date (agreement entered on 25 June 2009, extension was granted for at least 12 months from the date of signing this report). The Note holder (Success Resources International Pte Ltd) has issued a confirmation that they will not recall in the next twelve months from the date of signing this report.

The convertible note interest ceased accruing post August 2014 until the balance is converted into equity. The fair value of the liability component of the convertible note was determined using an effective interest rate of 10.47%. Upon expiration of above agreement, the Note holder has issued a confirmation letter that the loan amount will be carried at amortised cost and cease accruing interest post 31 August 2014.

NOTE 19: ISSUED CAPITAL	**31 Dec 2018**	**31 Dec 2017**
	$	**$**
285,420,835 (Dec 2017: 285,420,835) fully paid ordinary shares of no-par value	56,940,124	56,940,124

a. **Ordinary Shares**

	31 Dec 2018	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2017**
	No.	**No.**	**$**	**$**
At the beginning of financial year	285,420,835	285,420,835	56,940,124	56,940,124
At the end of the financial year	285,420,835	285,420,835	56,940,124	56,940,124

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

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

b. **Options**

No options outstanding at the date of this report.

NOTE 19: ISSUED CAPITAL (CONTINUED)

c. **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The gearing ratios for the year ended 31 December 2018 and 31 December 2017 are as follows:

	31 Dec 2018	31 Dec 2017
	$	$
Total debt (i)	11,138,492	3,292,329
Less cash and cash equivalents	(4,199,209)	(6,598,365)
Net debt	(6,939,283)	(3,306,036)
Total equity (ii)	(31,708,982)	(12,739,991)
Gearing ratio	22%	26%

(i) Debt is defined as long-term and short-term borrowings.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

NOTE 20: FINANCIAL RISK MANAGEMENT

Significant Accounting Policies

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments that are intended to be held-to-maturity are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is 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 expire. 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.

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The Group's debt and capital includes ordinary share capital, convertible loan note and financial liabilities, supported by financial assets.

The primary source of funding for the Group is equity raisings and support by the holding company. Accordingly, the objective of the group's capital risk management is to balance the current working capital position against the requirements of the Group to meet operational requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 31 December 2018 and 31 December 2017 is as follows:

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

	Note	31 Dec 2018	31 Dec 2017
		$	$
Cash and cash equivalents	7	4,199,209	6,598,365
Trade and other receivables	8	3,622,202	5,142,742
Other assets	11	3,267,846	3,151,732
Trade and other payables	15	(25,167,753)	(15,431,578)
Contract liabilities	16	(10,306,137)	(13,042,443)
Provisions	17	(225,803)	(219,798)
Financial liabilities	18	(9,346,861)	(1,404,980)
Working capital position		(33,957,297)	(15,205,960)

The Group's principal financial instruments comprise cash and short-term deposits, accounts receivables and payables, loans, financial assets and convertible loan notes which arise directly from its operations. It has been the Group's policy not to trade in financial instruments.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	31 Dec 2018	31 Dec 2017
		$	$
Financial Assets at amortised cost			
Cash and cash equivalents	7	4,199,209	6,598,365
Loans and receivables	8	3,622,202	5,142,742
Total Financial Assets		7,821,411	11,741,107
Financial liabilities at amortised cost			
- Trade and other payables	15	25,167,753	15,431,578
- Contract liabilities	16	10,306,137	13,042,443
- Convertible loan notes	18	411,849	411,849
- Loans from directors	18	1,443,147	1,572,639
- Loan from related parties	18	617,120	578,636
- Loans from unrelated parties	18	698,604	645,003
- Loan from mining operations	18	7,894,229	-
- Hire purchase liabilities	18	73,543	84,202
Total Financial Liabilities		46,612,382	31,766,350

The Directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, and foreign currency risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **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.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the Group has significant credit risk exposures to Australia, Singapore, Malaysia, and Hong Kong given the substantial operations in those regions. Details with respect to credit risk of trade and other receivables are provided in Note 8.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 8. The Group establishes a provision for impairment that represents its estimate of incurred losses in respect of trade and other receivables (refer to Note 8) and financial assets (refer to Note 10).

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	31 Dec 2018	31 Dec 2017
		$	$
Cash and cash equivalents			
— AA Rated and AA- Rated	7	4,199,209	6,598,365

b. **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 this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- borrowing using convertible instruments;
- support from immediate parent company;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liabilities and financial assets maturity analysis

31 December 2018

	1 year or less	Over 1 to 5 years	More than 5 years	Total
	$	$	$	$
Financial Assets cash flows realisable				
Cash at bank	4,199,209	-	-	4,199,209
Trade and other receivables	3,587,645	-	-	3,587,645
Loan to ex-directors	-	34,557	-	34,557
Total anticipated inflows	7,786,854	34,557	-	7,821,411

Financial liabilities and financial assets maturity analysis

31 December 2018

	1 year or less	Over 1 to 5 years	More than 5 years	Total
	$	$	$	$
Financial Liabilities due for payment				
Trade and other payables	9,238,367	-	-	9,238,367
Trade and other payables to related parties	4,843,955	-	-	4,843,955
Success's tokens	11,085,431	-	-	11,085,431
Contract liabilities	10,306,137	-	-	10,306,137
Loan from related parties	617,120	-	-	617,120
Loan from director and executive	118,307	1,324,840	-	1,443,147
Loans from unrelated parties	698,604	-	-	698,604
Convertible notes	-	411,849	-	411,849
Loans for mining operations	7,894,229	-	-	7,894,229
Hire purchase liabilities	18,601	54,942	-	73,543
Total expected outflows	44,820,751	1,791,631	-	46,612,382
Net (outflow)/ inflow on financial instruments	(37,033,897)	(1,757,074)	-	(38,790,971)

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2017

	1 year or less	Over 1 to 5 years	More than 5 years	Total
	$	$	$	$
Financial Assets cash flows realisable				
Cash at bank	6,598,365	-	-	6,598,365
Trade and other receivables	1,497,495	-	-	1,497,495
Loans to ex-directors	-	27,055	-	27,055
Trade and other receivables from related parties	3,618,192	-	-	3,618,192
Total anticipated inflows	11,714,052	27,055	-	11,741,107
Financial Liabilities due for payment				
Trade and other payables	7,291,594	-	-	7,291,594
Trade and other payables to related parties	2,906,552	-	-	2,906,552
Success's tokens	5,233,432	-	-	5,233,432
Contract liabilities	13,042,443	-	-	13,042,443
Loan from related parties	578,636	-	-	578,636
Loan from director and executive	165,039	1,407,600	-	1,572,639
Loans from unrelated parties	645,003	-	-	645,003
Convertible notes	-	411,849	-	411,849
Hire purchase liabilities	16,302	67,900	-	84,202
Total expected outflows	29,879,001	1,887,349	-	31,766,350
Net (outflow)/ inflow on financial instruments	(18,164,949)	(1,860,294)	-	(20,025,243)

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

c. **Market Risk**

(i) ***Foreign currency 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 AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the US, Singapore, Hong Kong and Malaysia dollar may impact on the Group's financial results unless those exposures are appropriately managed.

The Group's exposure to foreign currency risk at end of the reporting year, expressed in Australian dollar, was as follows:

31 December 2018	USD	SGD	HKD	MYR	Total AUD
Consolidated Group	$	$	$	$	$
Trade and other receivables	44,953	2,071,465	521,767	1,339,371	3,977,556
Trade and other payables	(12,263,380)	(11,489,074)	(1,087,886)	(1,946,710)	(26,787,050)
Financial liabilities	-	(1,309,531)	(7,894,230)	-	(9,203,761)
Net financial assets/liabilities	(12,218,427)	(10,727,140)	(8,460,349)	(607,339)	(32,013,255)

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2017	**USD**	**SGD**	**HKD**	**MYR**	**Total AUD**
Consolidated Group	**$**	**$**	**$**	**$**	**$**
Trade and other receivables	484,497	3,205,367	(27,212)	811,925	4,474,577
Trade and other payables	(5,276,357)	(12,245,312)	(741,667)	(1,753,366)	(20,016,702)
Financial liabilities	-	(513,673)	(1,996)	-	(515,669)
Net financial assets/liabilities	(4,791,860)	(9,553,618)	(770,875)	(941,441)	(16,057,794)

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in exchange rates. The table indicates the impact on how profit and equity values reported at the end of the reporting year would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Dec 2018 Profit	**Dec 2018 Equity**	**Dec 2017 Profit**	**Dec 2017 Equity**
Change in Loss				
+/– 100 basis points $A/$US (2017: 100 basis point)	+/- 1,221,843	+/- 1,221,843	+/– 479,186	+/– 479,186
+/– 100 basis points $A/$SGD (2017: 100 basis point)	+/- 1,072,714	+/- 1,072,814	+/- 1,039,996	+/- 1,039,996
+/– 100 basis points $A/$HKD (2017: 100 basis point)	+/- 846,035	+/- 846,035	+/- 77,088	+/- 77,088
+/– 100 basis points $A/$MYR (2017: 100 basis point)	+/- 60,734	+/- 60,734	+/- 99,627	+/- 99,627

d. **Fair Values**

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

		31 Dec 2018		**31 Dec 2017**	
		Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Group	**Note**	**$**	**$**	**$**	**$**
Financial assets					
Financial assets at amortised cost					
Cash and cash equivalents (i)	7	4,199,209	4,199,209	6,598,365	6,598,365
Trade and other receivables:					
– related parties – trade and advances		-	-	2,783,648	2,783,648
– unrelated parties – trade and term receivables (i), (ii)		3,029,830	3,029,830	1,497,495	1,497,495
Former directors – loans		34,557	34,557	27,055	27,055
– Other receivables		557,815	557,815	834,544	834,544
Total trade and other receivables	8	3,622,202	3,622,202	5,142,742	5,142,742
Total financial assets		**7,821,411**	**7,821,411**	**11,741,107**	**11,741,107**

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

		31 Dec 2018		31 Dec 2017	
Group		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial liabilities at amortised cost					
Trade and other payables					
– related parties – trade and advances		(4,843,955)	(4,843,955)	(2,906,552)	(2,906,552)
– unrelated parties – trade and term payables		(1,744,116)	(1,744,116)	(2,439,003)	(2,439,003)
– Success's tokens		(11,085,431)	(11,085,431)	(5,233,432)	(5,233,432)
– Contract liabilities		(10,306,137)	(10,306,137)	(13,042,442)	(13,042,442)
– Others		(7,494,251)	(7,494,251)	(4,852,592)	(4,852,592)
Total trade and other payables	15	(35,473,890)	(35,473,890)	(28,474,021)	(28,474,021)
Borrowings – related parties	18	(2,060,266)	(2,060,266)	(2,151,275)	(2,151,275)
Borrowings – unrelated parties	18	(8,592,834)	(8,592,834)	(645,003)	(645,003)
Hire purchase liabilities	18	(73,543)	(73,543)	(84,202)	(84,202)
Convertible loan notes	18	(411,849)	(411,849)	(411,849)	(411,849)
Total financial liabilities		(46,612,382)	(46,612,382)	(31,766,350)	(31,766,350)

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

(ii) Term receivables reprice to market interest rates every three months, ensuring carrying amounts approximate fair value.

NOTE 21: CASH FLOW INFORMATION	31 Dec 2018	31 Dec 2017
	$	$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(17,273,347)	(13,487,104)
Non-cash flows in Loss		
Amortisation expense	524,300	524,300
Depreciation expense	1,343,167	276,609
Impairment of goodwill	-	6,741,443
Impairment of assets	1,466,699	-
Net impairment of loan receivables and financial assets	4,556,336	948,290
Plant and equipment written-off	27,456	14,950
Loss on disposal of plant and equipment	19,017	-
Unrealised loss on foreign exchange	105,570	
Fair value on intangible assets	153,899	2,688
Finance cost on loan for mining operations	1,798,823	-
Net exchange differences	825,903	(374,594)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Increase in trade and other receivables	(4,183,381)	(2,960,136)
Increase in other assets	(116,115)	(1,767,602)
(Decrease)/Increase in trade and other payables	9,402,871	6,478,328
(Decrease)/Increase in contract liabilities	(2,736,305)	7,574,175
Decrease in provisions	24,140	10,519
(Increase)/Decrease in deferred tax assets and deferred tax liabilities	-	729,135
Cash flows from operations	(4,060,967)	4,711,001

NOTE 22: RESERVES

a. **Foreign Currency Translation Reserve**

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

b. **Common Control Reserve**

The difference between the carrying value of net assets acquired and the consideration paid on common control transaction are recorded in the common control reserve.

NOTE 23: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

a. **Key management personnel compensation**

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) and their shareholdings in the Company for the year ended 31 December 2018.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	31 Dec 2018	31 Dec 2017
	$	$
Short-term employee benefits	2,026,796	1,813,073
Post-employment benefits	57,260	57,260
Total KMP compensation	**2,084,056**	**1,870,333**

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

NOTE 24: RELATED PARTY TRANSACTIONS

Related Parties

a. **The Group's main related parties are as follows:**

(i) *Entities exercising control over the Group:*

The immediate parent entity that exercises control over the Group is Success Resources International Pte Ltd, which is incorporated in Singapore.

(ii) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Remuneration Report disclosed in Directors' Report.

(iii) *Other related parties:*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. **Transactions with related parties:**

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

c. **Related party transactions:**

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

The following transactions occurred with related parties:

NOTE 24: RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions occurred with related parties:

	31 Dec 2018	31 Dec 2017
	$	$
Sales and purchases of goods and services		
Management services fee to related party	612,021	354,000
Revenue from management services to various entities controlled by Mr. Richard Tan	1,134,065	326,033
Purchases of goods and services from various entities controlled by Mr. Richard Tan	761,971	727,380
Sales of goods and services to various entities controlled by Mr. Richard Tan	606,217	166,433
Rental of premises from Success Resources Holding Sdn Bhd controlled by Mr. Richard Tan	60,039	52,001
Rental of premises from 368 Sussex Street Trust of which Mr. Michael Burnett is a beneficiary	-	247,200

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

	31 Dec 2018	31 Dec 2017
	$	$
(i) <u>Immediate parent entity</u>		
Success Resources International Pte Ltd		
- Loans receivables	6,100	-
- Loans payables	(617,120)	(578,636)
- Convertible loan notes payable	(411,849)	(411,849)
- Convertible loan notes interest payable	(242,655)	(242,655)
- Management fee payable	(1,268,065)	(1,255,805)
(ii) <u>Subsidiaries of immediate parent entity</u>		
Success Resources Pte Ltd		
- Loans receivables	4,511,871	5,538,414
- Loans payables	(2,060,946)	(6,957,404)
- Trade receivables	1,030	4,641,226
- Trade payables	(14,941)	(400,750)
Success Resources Sdn Bhd		
- Loans receivables	214,128	185,537

NOTE 24: RELATED PARTY TRANSACTIONS (CONTINUED)

		31 Dec 2018 $	31 Dec 2017 $
Success Resources UK Ltd			
- Loans receivables		68,260	221,489
- Loans payables		(2,891,069)	(287,312)
- Trade receivables		5,662	42,800
- Trade payables		(744,970)	(400,695)
- Management fee receivables		-	42,800
Success Resources South Africa (Pty) Ltd			
- Loans receivables		1,415,402	1,019,064
- Loans payables		-	(17,260)
- Trade receivables		411,230	389,067
- Management fee receivable		-	747,820
Success One Pte Ltd			
- Loans receivables		97,714	-
Ascent Global Consultancy Pte Ltd			
- Loans receivables		705,118	699,754
- Trade payables		(19,873)	(19,873)
Success Resources USA LLC, a company subject to significant influence by immediate parent entity			
- Loans receivables		4,576,731	4,428,408
- Trade payables		(737,478)	(737,478)
- Investment		2,503,820	2,503,820
New Peaks LLC, a company subject to significant influence by immediate parent entity			
- Promissory note receivables	10	2,383,262	2,383,262
- Loans receivables		11,505,826	9,024,337
- Trade receivables		15,496	197,638
- Management fee receivable		250,809	464,024

NOTE 24: RELATED PARTY TRANSACTIONS (CONTINUED)

		31 Dec 2018	31 Dec 2017
		$	$
RTMB Ventures Inc, a company subject to significant influence by immediate parent entity			
- Loans receivables		2,540,238	921,553
- Promissory note		1,300,000	1,300,000
Burnett Family Trust. A trust company subject to significant influence by an executive, Mr. Michael Burnett			
- rental		20,000	247,200
EPIC Entertainment Pty Ltd, a company subject to significant influence by an executive, Mr. Michael Burnett			
- Loans receivables		1,364,963	1,364,398
Loan from an executive – Mr. Michael Burnett	18b	(890,850)	(1,015,640)
Loan from a director – Mr. Richard Tan	18b	(552,296)	(556,999)

Details on the terms and conditions of these loans is disclosed in Note 17(b).

Wolfstar Group Pty Ltd		
- Secretarial and accounting fee payables	(5,760)	(2,112)
- Secretarial and accounting fees	17,280	58,334

NOTE 25: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position	**31 Dec 2018**	**31 Dec 2017**
	$	**$**
Assets		
Current assets	2,497,405	2,391,394
Non-current assets	6,430,418	6,430,418
Total assets	8,927,823	8,821,812
Liabilities		
Current liabilities	(2,820,694)	(2,665,386)
Non-current liabilities	(411,851)	(411,849)
Total liabilities	(3,232,545)	(3,077,235)
Equity		
Issued capital	23,606,791	23,606,791
Accumulated losses	(17,911,513)	(17,862,214)
Total equity	5,695,278	5,744,577

Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	(49,299)	(669,402)
Total comprehensive loss	(49,299)	(669,402)

Guarantees

Success Global Media Limited has not entered into any guarantee, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities

At 31 December 2018 and 31 December 2017, Success Global Media Limited had no contingent liabilities.

Contractual commitments

At 31 December 2018 and 31 December 2017, Success Global Media Limited had not entered into any contractual commitment for the acquisition of plant and equipment.

NOTE 26: OPERATING SEGMENTS

Identification of reportable segments

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

The Group operated predominantly in one business and five geographical segments, being the provision of personal development seminars and related products and services, covering individual personal, financial, career, health and relationship goals throughout Australia, United States of America, United Kingdom, Singapore, Malaysia and Hong Kong.

Segment Information

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 Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

(a) *Revenue by geographical regions*

Revenue, attributable to external customers is disclosed below, based on the location of the external customer:

	31 Dec 2018	31 Dec 2017
	$	$
Australia	27,186,724	20,173,693
Singapore	16,963,810	5,455,831
Malaysia	5,990,004	5,884,663
Hong Kong	895,347	2,200,380
Total revenues	**51,035,885**	**33,714,567**

(b) *Results by geographical regions*

Segment loss is disclosed below:

	31 Dec 2018	31 Dec 2017
Australia	(783,553)	(10,519,380)
Singapore	(9,375,762)	(3,791,349)
Malaysia	429,502	503,313
Hong Kong	(7,543,534)	323,000
Total losses	**(17,273,347)**	**(13,484,416)**

(c) Assets by geographical regions

The location of segment assets by geographical locations of the assets is disclosed below:

	31 Dec 2018	31 Dec 2017
Australia	4,892,437	6,632,460
Singapore	5,844,040	8,737,481
Malaysia	2,345,029	3,062,691
Hong Kong	2,160,066	907,759
Total assets	**15,241,572**	**19,340,391**

NOTE 26: OPERATING SEGMENTS (CONTINUED)

	31 Dec 2018	31 Dec 2017
	$	$
(d) *Liabilities by geographical regions*		
The location of segment assets by geographical location of the liabilities is disclosed below:		
Australia	10,102,284	10,672,703
United States of America	737,478	737,478
Singapore	24,390,205	18,339,076
Malaysia	2,061,083	1,432,257
Hong Kong	9,659,504	898,868
Total liabilities	**46,950,554**	**32,080,382**

NOTE 27: CONTINGENT LIABILITIES

For information about guarantees given by parent, refer to Note 25.

NOTE 28: COMMITMENTS

	31 Dec 2018	31 Dec 2017
a. **Operating Lease Commitments**	$	$
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	2,265,938	332,434
– between 12 months and 5 years	1,421,629	593,615
	3,687,567	926,049

The property lease is a non-cancellable lease, with rent payable monthly in advance.

b. **Remuneration Commitments**		
Remuneration commitments contracted for:		
Blessed Global Pte Limited – Richard Tan	330,000	330,000
Michael Burnett	330,000	330,000
	660,000	660,000

On 1 March 2017, the Group engaged Blessed Global Pte Limited, and Mr Michael Burnett to provide services of the position of managing director and Chief Executive Officer for the Group for the term of 3 years for a remuneration of $660,000 per annum.

In absence of a new contract, the respective employment/contractor contract may only be terminated by either party giving the other party 6 months' written notice.

NOTE 29: EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the Group in future financial years.

NOTE 30: COMPANY DETAILS

The registered office of the company is:

Suite 70-72 Jones Bay Wharf
26-32 Pirrama Road
Pyrmont NSW 2009

The principal places of businesses are:

Australia

Suite 70-72 Jones Bay Wharf
26-32 Pirrama Road
Pyrmont NSW 2009

Singapore

190 Macpherson Road
#04-05 #08-01 WismaGulab
Singapore

Malaysia

No. 23-2, Block D2
Jalan PJU 1/29, Dataran Prima
47301 Petaling Jaya, Selangor Darul Ehsan
Malaysia

Hong Kong

15/F OTB Building 160
Gloucester Road
Hong Kong

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Success Global Media Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 27 to 76, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the consolidated group;

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; and

3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Richard Tan
Executive Chairman

Dated this 15th day of March 2019

SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUCCESS GLOBAL MEDIA LIMITED AND CONTROLLED ENTITITES

Opinion

We have audited the accompanying financial report Success Global Media Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion:

(a) the accompanying financial report of the Success Global Media Limited and Consolidated Entities is in accordance with the *Corporations Act 2001*, including:

  i. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year 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.

Basis of 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 responsibility* section of our report. We are independent of the Consolidated Entity in accordance with 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Group has incurred a loss after tax of $17,273,347 during the year ended 31 December 2018 and as of that date the Group's current liabilities is exceeded current assets by $33,957,297. As stated in Note 1, these conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUCCESS GLOBAL MEDIA LIMITED AND CONTROLLED ENTITITES

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
Carrying Value of Intangible Assets *Refer to Note 14, Intangible Assets, Significant Accounting Policies and Key Judgements.*	
The Group's intangible assets comprise mainly of speaker relationships, trademarks and customer databases. The carrying value of intangible assets is a key audit matter as: • Intangible assets represent 20% of the Group's total assets. • We applied a significant level of judgement when considering management's assessment of the carrying value of speaker relationships, trademarks and customer databases. • We focused on the Group's valuation methodologies and the key inputs to the value in use calculations including forecast cash flows, discount rates applied and forecast growth rates.	Our procedures included, amongst others, the following: • We checked the mathematical accuracy of the value in use models and agreed relevant data to latest forecasts. • We evaluated the forecasting process undertaken by the Group by assessing the accuracy of prior year forecast cash flows by comparing to actual outcomes. • We challenged management's assumptions used in the forecast cash flows including those relating to forecast revenue, forecast costs and discount rates. • We performed sensitivity analysis on the discount rate and growth rate inputs. • For intangible assets where impairments had been recognised, we recalculated the impairment charge by comparing the carrying amount of the assets to management's value in use calculation. • For finite life intangible assets, we recalculated the amortisation charge and compared this to the Group's amortisation accounting policy.

SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUCCESS GLOBAL MEDIA LIMITED AND CONTROLLED ENTITITES

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of Cryptocurrencies *Refer to Note 14, Intangible Assets.*	
As of 31 December 2018, the carrying value of cryptocurrencies measured at fair value was $518,142. Due to the inherent nature of cryptocurrencies, market value can be subject to significant fluctuations in their value due to the instability and volatility in the cryptocurrency market which is further impacted by foreign exchange rate fluctuations.	Our procedures included, amongst others: • Agreeing balances of cryptocurrency held to digital wallets and bitcoin holdings. • Testing on a sample basis, transactions between digital wallets and forms of cryptocurrency held by the consolidated entity. • Agreeing year end valuation inputs to external market data.
Trade and other payables *Refer to Note 15, Trade and other payables..*	
Successlife Global Pte Ltd (an entity controlled by group), launched an initial coin offering (ICO) to the public and customers. In October 2018, the tokens were issued to subscribers and listed on the Forkdelta Exchange. An amount of $11,115,110 was collected from ICO tokens issued of which $11,085,431 is recognised as a liability after deducting for amounts redeemed for services amounting to $29,679 and recognised as revenue accordingly.	We performed the following procedures: • We had discussions with the group management to understand the nature and recognition treatment of subscription money received from customers. • We obtained and reviewed the whitepaper related to the initial coin offering. • We considered if the recognition criteria for the ICO is appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and 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 the other information, we are required to report that fact. We have nothing to report in this regard.

SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SUCCESS GLOBAL MEDIA LIMITED
AND CONTROLLED ENTITITES

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 Australia Accounting Standards and the Corporations Act 2001 and for such internal control as 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 preparing the financial report, the directors are responsible for assessing the Group'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 Group or to cease operations, or have 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 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 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 Group'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 director's 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 Group'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 Group 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 with the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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 pages 18 to 24 of the directors' report for the year ended 31 December 2018. 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 200*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SUCCESS GLOBAL MEDIA LIMITED
AND CONTROLLED ENTITITES

Opinion

In our opinion the remuneration report of Success Global Media Limited for the year ended 31 December 2018 complies with s 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

SKumar

Sandeep Kumar
Partner
Dated: 15 March 2019

ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange in respect of listed public companies only and is current as at 13 March 2019.

1. **Shareholding**

a. **Distribution of Shareholders as at 7 March 2018**

Category (size of holding)	Number of Shareholders
1 – 1,000	10,855
1,001 – 5,000	546
5,001 – 10,000	47
10,001 – 100,000	305
100,001 – and over	118
	11,871

b. The number of shareholdings held in less than marketable parcels is 11,438

c. The names of the substantial shareholders listed in the holding company's register as at 13 March 2019 are:

Shareholder	**Number Ordinary**
Success Resources International Pte Ltd	34,729,788
Susan Joy Burnett <Burnett Family A/C>	64,109,928
Citicorp Nominees Pty Limited	9,715,883

d. **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.

a. **20 Largest Shareholders — Fully Paid Ordinary Shares as at 13 March 2019**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Ordinary Fully Paid Shares Held
1	SUCCESS RESOURCES PTE LTD	83,333,333	29.20
2	SUSAN JOY BURNETT	64,109,928	22.46
3	SUCCESS RESOURCES INTERNATIONAL PTE LTD	34,729,788	12.17
4	SUCCESS RESOURCES SDN BHD	27,777,778	9.73
5	CITICORP NOMINEES PTY LIMITED	11,374,216	3.99
6	COOK LANE SUPER PTY LTD	7,507,938	2.63
7	MR YON TEE HAN	5,380,482	1.89
8	BNP PARIBAS NOMINEES PTY LTD	3,140,873	1.10
9	TJANG TJUNG FA	2,500,000	0.88
10	AK MOTT INVESTMENTS PTY LTD	2,083,334	0.73
11	MS JENNIFER CAO	1,434,622	0.50
12	AK MOTT INVESTMENTS PTY LTD	1,250,000	0.44
12	MR JUSTIN FOXX	1,250,000	0.44
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,126,593	0.39
14	IFREEDOM INC.	1,000,000	0.35
15	MR SEN YAM NG	793,444	0.28
16	LIM & TAN SECURITIES PTE LTD	750,000	0.26
17	MR SIOW GIAN PATRICK LIEW	705,769	0.25
18	MR PENG JOON CHAN	675,000	0.24
19	MR ROSS ANDREW MCCONVILLE	550,000	0.19
19	MR TANGISAI CALVIN GAKA	550,000	0.19
20	EST KAY YONG TAN	517,000	0.18
		252,540,098	**88.49%**

2019 The above 20 Largest Shareholders table includes the following shares held in escrow		Number of Escrowed Shares
Note		
1	Success Resources International Pte Ltd	83,333,333
2	Susan Joy Burnett <Burnett Family A/C>	50,000,000
3	Success Resources SDN BDH	27,777,778
4	Mr Ian R Cook + Mrs Gwenda A Cook <IR Cook Super Fund A/C>	5,555,556
		166,666,667

2. The name of the company secretary at 31 December 2018 is Jay Stephenson.

3. The address of the principal registered office in Australia is:
   Suite 70-72 Jones Bay Wharf
   26-32 Pirrama Road
   Pyrmont NSW 2009

4. Registers of securities are held at the following address:

   Link Market Services

   680 George Street

   Sydney NSW 2000

   Telephone: +61 1300 554 474

5. **Securities Exchange Listing**

   Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

6. **Other Disclosures**
   There are no SGU securities under voluntary escrow.

   There are no options on issue.

   There is no current on-market buy-back.

Changing Lives Globally

AFRICA . ASIA . AUSTRALIA . EUROPE . NORTH AMERICA

Success Global Media Limited ACN091509849
Suite 70-72 Jones Bay Wharf 26-32 Pirrama Road Pyrmont NSW 2009 Australia