

INTERIM FINANCIAL REPORT

B Communications Pty Ltd

ABN 33 167 509 177

For the 9 months ended 31 March 2016

Prepared by Omnis Group Pty Ltd

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Income Statement

B Communications Pty Ltd For the 9 months ended 31 March 2016

	NOTES	JUL 2015-MAR 2016
Income		
Sales Revenue		242.73
Total Income		242.73
Other Income		
Other Income		408,468.18
Total Other Income		408,468.18
Total Income		408,710.91
Expenses		
Administration cost		179,210.02
Employee benefit expenses		30,075.00
Finance Costs		876.38
Impairment of intangible property and office equipment		535,673.49
Marketing Expenses		5,548.96
Research and development expenses		888,195.95
Total Expenses		1,639,579.80
Profit/(Loss) before Taxation		(1,230,868.89)
Net Profit After Tax		(1,230,868.89)
Net Profit After Dividends Paid		(1,230,868.89)

Balance Sheet

B Communications Pty Ltd As at 31 March 2016

	NOTES	31 MAR 2016	31 MAR 2015
Assets			
Current Assets			
Cash and Cash Equivalent	2	35,457.50	83,781.39
Inventory	3	244,472.52	160,858.68
Total Current Assets		279,930.02	244,640.07
Non-Current Assets			
Intangibles	4	502,279.56	484,653.59
Total Non-Current Assets		502,279.56	484,653.59
Total Assets		782,209.58	729,293.66
Liabilities			
Current Liabilities			
Trade and Other Payables	5	319,377.15	49,098.13
Financial Liabilities	6	130,000.00	-
Provisions	7	6,889.66	-
Total Current Liabilities		456,266.81	49,098.13
Total Liabilities		456,266.81	49,098.13
Net Assets		325,942.77	680,195.53
Equity			
Retained Earnings	8	(1,968,624.48)	(557,066.72)
Share Capital	9	2,294,567.25	1,237,262.25
Total Equity		325,942.77	680,195.53

Notes to the Financial Statements

B Communications Pty Ltd For the 9 months ended 31 March 2016

1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is based on the first-in, first out method and includes expenditure incurred in acquiring the inventories and bringing them to the existing condition and location.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 March 2016. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 31 March 2016. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

Cash and Cash Equivalents

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

Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.
 Revenue from the rendering of services is recognised upon the delivery of the services to customers.
 Revenue from commissions is recognised upon delivery of services to customers.
 Revenue from interest is recognised using the effective interest rate method.
 Revenue from dividends is recognised when the entity has a right to receive the dividend.

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

Goods and Services Tax

Transactions are recognised net 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 balance sheet.

Grants

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the balance sheet until the required service has been completed, otherwise the income is recognised on receipt.

B Communications Pty Ltd receives non-reciprocal contributions of assets from the government and other parties for a nominal or zero value. These assets are recognised at their fair value on the date of acquisition in the balance sheet, with an equivalent amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

JUL 2015-MAR 2016

2. Cash & Cash Equivalents

Other Cash Items

BCOMMUNICATIONS PTY. LTD.

35,456.50

Cash at Bank	1.00
Total Other Cash Items	35,457.50
Total Cash & Cash Equivalents	35,457.50

JUL 2015-MAR 2016

3. Inventory

Work in progress	244,472.52
Total Inventory	244,472.52

JUL 2015-MAR 2016

4. Intangibles

Other Intangible Assets	
Intangible Assets at Cost	1,137,160.58
Less Accumulated Amortisation	(634,881.02)
Total Other Intangible Assets	502,279.56
Total Intangibles	502,279.56

JUL 2015-MAR 2016

5. Payables

Current

Trade and Other Payable	
Accounts Payable	356,769.61
BComms Credit Card - B. Trigge	2,310.00
FZ Credit Card - Old Feed Acct	(635.46)
Loan - Living Networks	995.68
Total Trade and Other Payable	359,439.83
Total Current	359,439.83
Total Payables	359,439.83

JUL 2015-MAR 2016

6. Financial Liabilities

Current

Convertible Note 1a	130,000.00
Total Current	130,000.00
Total Financial Liabilities	130,000.00

JUL 2015-MAR 2016

7. Provisions

Current

PAYG Withholdings Payable	5,148.00
Superannuation Payable	1,741.66
Total Current	6,889.66
Total Provisions	6,889.66

JUL 2015-MAR 2016

8. Retained Earnings

Current year earnings	(1,230,868.89)
Retained earnings/Accumulated funds	(737,755.59)
Total Retained Earnings	(1,968,624.48)

JUL 2015-MAR 2016

9. Share Capital

Issued Capital	2,424,567.25
Total Share Capital	2,424,567.25

Appropriation Statement

B Communications Pty Ltd
For the 9 months ended 31 March 2016

NOTES JUL 2015-MAR
 2016

Retained Earnings after Appropriation	
Retained Earnings At Start of Year	(737,755.59)
Profit / (loss) Before Taxation	(1,230,868.89)
Retained Earnings After Appropriation	(1,968,624.48)



Directors' Declaration

B Communications Pty Ltd For the 9 months ended 31 March 2016

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

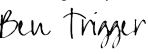
1. the financial statements and notes, present fairly the company's financial position as at 31 March 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

DocuSigned by:

Director: _____

Mr Timothy David Levy

DocuSigned by:

Director: _____

Mr Benjamin Shaun Dixon Trigger

DocuSigned by:

Director: _____

Mr Paul Russell Robinson

5/25/2016

Dated this _____ day of _____ 20 _____



Compilation Report

B Communications Pty Ltd For the 9 months ended 31 March 2016

Compilation report to B Communications Pty Ltd.

We have compiled the accompanying special purpose financial statements of B Communications Pty Ltd, which comprise the income statement, balance sheet and statement of cash flows for the period ended 31 March 2016, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance and financial position of the company that satisfies the needs of the members.

The Responsibility of the Directors

You are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet your needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by you, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors of the trustee company provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the members of Organisation legal / trading name. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Omnis Group

Business Advisors & Tax Accountants

Grd Floor, 1 Alvan Street

SUBIACO WA 6008

Signature

A handwritten signature in black ink, appearing to read "Justin P Flavel".

Justin P Flavel

Director

Dated this 26th day of May 2016



INDEPENDENT AUDITORS REPORT

TO THE DIRECTORS OF B COMMUNICATIONS PTY LTD

Report on the Financial Report

We have audited the accompanying interim financial report of B Communications Pty Ltd, being a special purpose financial report which comprises the statement of financial position (Balance Sheet) as at 31 March 2016, the statement of financial performance (Income Statement) for the 9 months then ended on that date, and a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, and are appropriate to meet the needs of the directors, and unit holders. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the directors, and unit holders. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the accounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the directors, and unit holders of the entity. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the directors, and unit holders, or for any purpose other than that for which it was prepared.

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



Independence

In conducting our audit we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial report presents fairly the financial position of B Communications Pty Ltd as at 31 March 2016 and the results of its operations for the 9 months then ended, and in accordance with the accounting policies described in Note 1 to the financial statements



DM ADVISORY SERVICES - AUDIT
REGISTERED COMPANY AUDITOR

26 May 2016



**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF
B COMMUNICATIONS PTY LTD

I declare that, to the best of my knowledge and belief during the 9 months ended 31 March 2016 there have been:

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

DM ADVISORY SERVICES
REGISTERED COMPANY AUDITOR

26 May 2016

