



**APPENDIX 4D**  
**Interim Financial Report**  
**31 December 2016**

**Corporate Directory****Current Directors**

Jay Stephenson	<i>Chairman</i>
Shashi Fernando	<i>Executive Director, Chief Executive Officer (CEO)</i>
John Bell	<i>Executive Director, Chief Financial Officer (CFO)</i>

**Company Secretary**

Jay Stephenson

**Registered Office**

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Email: [info@yonderbeyond.com](mailto:info@yonderbeyond.com)

Website: [www.yonderbeyond.com](http://www.yonderbeyond.com)

**Securities Exchange**

Australian Securities Exchange  
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Perth WA 6000

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**Auditors**

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Perth WA 6000

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Facsimile: +61 (0)8 9226 4300

Website: [www.bentleys.com.au](http://www.bentleys.com.au)

**Share Registry**

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

Telephone: 1300 850 505 (investors within Australia)

Telephone: +61 (0)3 9415 4000

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

Website: [www.investorcentre.com](http://www.investorcentre.com)

**Solicitors to the Company**

Steinepreis Paganin  
Level 4, The Read Buildings, 16 Milligan Street  
PERTH WA 6000

**Corporate Adviser**

Wolfstar Group  
Barringtons House, 283 Rokeby Road  
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**Results for announcement to the Market**

for the half-year ended 31 December 2016

<b>1 REPORTING PERIOD (item 1)</b>				
	Report for the period ended:	31 December 2016		
	Previous corresponding period is half-year ended:	31 December 2015		
<b>2 RESULTS FOR ANNOUNCEMENT TO THE MARKET</b>				
		<b>Movement</b>	<b>Percentage %</b>	<b>Amount \$</b>
	Revenues from ordinary activities (item 2.1)	Decreased	(13.37) to	1,433,851
	Loss from ordinary activities after tax attributable to members (item 2.2)	Decreased	(28.39) to	(1,702,222)
	Loss from after tax attributable to members (item 2.3)	Decreased	(28.39) to	(1,702,222)
<b>a.</b>	<b>Dividends (item 2.4 and 5)</b>			
			<b>Amount per Security ¢</b>	<b>Franked amount per security %</b>
	Interim dividend		nil	n/a
	Final dividend		nil	n/a
	Record date for determining entitlements to the dividend (item 2.5)	n/a		
<b>b.</b>	Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6): Revenue for the half-year decreased by 13.37%; however as most of the Group's revenue is earned in Pounds Sterling, the falling exchange rate contributed to this significantly (31 December 2016: A\$1.697:£1.00 compare to 31 December 2015: A\$2.028: £1.00). At the same time, losses have decreased by 28.39% as the Group increases local currency revenues and decreases expenditure.			
<b>3 DIVIDENDS (item 6) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS</b>				
Nil.				
<b>a.</b>	Details of dividend or distribution reinvestment plans in operation are described below (item 6): Not applicable			
<b>4 RATIOS</b>				
		<b>Current period</b>	<b>Previous corresponding period</b>	
<b>a.</b>	Financial Information relating to 4b:			
	Earnings for the period attributable to Owners of the parent	\$ (1,702,222)	\$ (2,377,045)	
	Net assets	(2,498,516)	(1,860,846)	
	Less: Intangible assets	(19,788)	(28,024)	
	Net tangible (liabilities)/assets	(2,518,304)	(1,888,870)	
	Fully paid ordinary shares	No. 109,296,586	No. 89,973,986	
<b>b.</b>	Net tangible (liability)/assets backing per share (cents) (item 3):	¢ (2.304)	¢ (2.099)	

Results for announcement to the Market  
for the half-year ended 31 December 2016




5	<b>DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 4)</b>										
a. Control gained over entities											
YB	Name of entities (item 4.1)	Nil									
YB	Date(s) of gain of control (item 4.2)	N/A									
b. Loss of control of entities											
YB	Name of entities (item 4.1)	Nil									
YB	Date(s) of gain of control (item 4.2)	n/a									
c.	Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 4.3).	N/A									
d.	Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	N/A									
6	<b>DETAILS OF ASSOCIATES AND JOINT VENTURES: (item 7)</b>										
YB	Name of entities (item 7)	MeU Mobile Pty Limited									
YB	Percentage holding in each of these entities (item 7)	Acquired 30 April 2016									
		<table border="1"> <thead> <tr> <th></th> <th>Current period</th> <th>Previous corresponding Period</th> </tr> <tr> <th></th> <th>\$</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>YB Aggregate share of profits (losses) of these entities (item 7)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">(192,117)</td> </tr> </tbody> </table>		Current period	Previous corresponding Period		\$	\$	YB Aggregate share of profits (losses) of these entities (item 7)	-	(192,117)
	Current period	Previous corresponding Period									
	\$	\$									
YB Aggregate share of profits (losses) of these entities (item 7)	-	(192,117)									
7	The financial information provided in the Appendix 4D is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards.										
8	<p>The report is based on accounts which are have been reviewed by the Company's independent auditor (item 9) and contains the following emphasis of matter:</p> <p><i>"Without qualifying our conclusion, we draw attention to note 1(a)(ii) of the half-year financial report which indicates that the Consolidated Entity incurred a net loss of \$1,913,054 during the half-year ended 31 December 2016. This condition, along with other matters as set forth in note 1(a)(ii), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report."</i></p>										

## Directors' report

Your directors present their report on the Group, consisting of Yonder & Beyond Group Limited (**Y&B** or **the Company**) and its controlled entities (collectively **the Group**), for the financial half-year ended 31 December 2016.

### 1. Directors

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

 Mr Jay Stephenson	Chairman and Company Secretary
 Mr Shashi Fernando	Executive Director and CEO
 Mr John Bell	Executive Director and CFO

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

### 2. Operating and financial review

#### 2.1. Operations Review

Refer to the detailed review in the attaching Appendix 4D.

#### 2.2. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the half-year of \$1,913,054 (Dec 2015: \$2,789,843 loss).

The net assets of the Group have decrease from 30 June 2016 by \$637,670 to a net asset deficiency of \$(2,498,516) at 31 December 2016 (June 2016: \$(1,860,846) net asset deficiency).

As at 31 December 2016, the Group's cash and cash equivalents decreased from 30 June 2016 by \$109,015 to \$254,856 (June 2016: \$363,871) and had a working capital deficit of \$2,449,298 (June 2016: \$(1,864,414) working capital deficit).

Based on a cash flow forecast, the Group has sufficient working capital to fund its mandatory obligations for the period ending twelve months from the date of this report. Should the Group be unable to raise sufficient funds, the planned technology incubation may have to be amended. The Board is confident in securing sufficient additional funding to fund the Group's operations. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and confidence in raising additional funds. Please refer to note 1a.ii Going concern for additional commentary.

#### 2.3. Events Subsequent to Reporting Date

The Company announced it has received commitments to place 14,084,615 shares at \$0.065 per share to strategic investors to raise \$915,500 (before costs) as approved at the Company's AGM (Placement). The Placement has been made to sophisticated investors, pursuant to Section 708A of the Corporations Act 2001. Lodge Partners was Lead Manager to the Placement.

The Placement will be used to accelerate growth of existing businesses and for working capital purposes.

Additionally, the Company's subsidiary, Beyond Media, extended its collaboration with Lenovo to include the delivery of Virtual Reality and Gaming related technologies enhancing the VR and Gaming capabilities of the content delivery platform Beyond Media is building for Lenovo. Together, Beyond Media and Lenovo are working to create a differentiated platform for customers and content owners through an upcoming entertainment hub that enhances the user experience.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at note 19 Events subsequent to reporting date on page 17.

### 3. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2016 has been received and can be found on page 4 of the Interim Financial Report.

Signed in accordance with a resolution of directors made pursuant to s306(3) of the *Corporations Act 2001* (Cth).



JAY STEPHENSON

Chairman

Dated this Tuesday, 28 February 2017

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To the Board of Directors

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

As lead audit director for the review of the financial statements of Yonder and Beyond Group Limited for the half year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



**BENTLEYS**  
Chartered Accountants



**MARK DELAURENTIS CA**  
Director

Dated at Perth this 28<sup>th</sup> day of February 2017

**Condensed consolidated statement of profit or loss and other comprehensive income**

for the half-year ended 31 December 2016

	Note	31 December 2016 \$	31 December 2015 \$
<b>Continuing operations</b>			
Revenue	2	1,433,851	1,655,143
Share of associate profit / (loss)		-	(192,117)
		1,433,851	1,463,026
Costs of sales		(1,070,491)	(1,032,461)
		363,360	430,565
Other income	2	(310,152)	13,967
Business development		(214,965)	(216,472)
Compliance costs		(82,999)	(157,359)
Computers and communications		(37,812)	(54,043)
Depreciation and amortisation	3a	(8,518)	(10,110)
Employee benefits expenses	3b	(1,402,606)	(2,232,639)
Impairment	3c	(42,284)	(280,179)
Finance costs		(1,171)	(137)
Professional fees		(17,221)	-
Rent and utilities		(112,540)	(221,268)
Other expenses		(46,146)	(63,815)
Loss before tax	3	(1,913,054)	(2,791,490)
Income tax benefit / (expense)	5	-	1,647
<b>Loss from continuing operations</b>		(1,913,054)	(2,789,843)
<b>Net loss for the year</b>		(1,913,054)	(2,789,843)
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		25,390	179,983
Financial assets revaluation		-	(123,235)
<b>Other comprehensive income for the year, net of tax</b>		25,390	56,748
<b>Total comprehensive income attributable to members of the parent entity</b>		(1,887,664)	(2,733,095)
<b>Profit/(loss) for the period attributable to:</b>			
Non-controlling interest		(210,832)	(412,798)
Owners of the parent		(1,702,222)	(2,377,045)
<b>Total comprehensive income/(loss) attributable to:</b>			
Non-controlling interest		(210,813)	(412,798)
Owners of the parent		(1,676,851)	(2,320,297)
<b>Earnings per share:</b>			
Basic and diluted loss per share (cents per share)	4	¢ (1.82)	¢ (3.30)

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



**Condensed consolidated statement of financial position**  
as at 31 December 2016

	Note	31 December 2016 \$	30 June 2016 \$
<b>Current assets</b>			
Cash and cash equivalents	6	254,856	363,871
Trade and other receivables	7	198,534	654,019
Financial assets	9a	-	454,366
Other current assets		13,712	21,245
Non-current asset held for disposal	8	-	1,807
<b>Total current assets</b>		<b>467,102</b>	<b>1,495,308</b>
<b>Non-current assets</b>			
Plant and equipment	10	16,705	18,392
Intangible assets	11	19,788	28,024
Financial assets	9	261,000	271,276
<b>Total non-current assets</b>		<b>297,493</b>	<b>317,692</b>
<b>Total assets</b>		<b>764,595</b>	<b>1,813,000</b>
<b>Current liabilities</b>			
Trade and other payables	12	2,821,957	2,782,827
Short-term provisions	14	40,914	52,899
Current tax liabilities	5b	36,412	38,714
Borrowings	13a	17,117	30,916
<b>Total current liabilities</b>		<b>2,916,400</b>	<b>2,905,356</b>
<b>Non-current liabilities</b>			
Borrowings	13b	346,711	768,490
Deferred tax liabilities		-	-
<b>Total non-current liabilities</b>		<b>346,711</b>	<b>768,490</b>
<b>Total liabilities</b>		<b>3,263,111</b>	<b>3,673,846</b>
<b>Net assets</b>		<b>(2,498,516)</b>	<b>(1,860,846)</b>
<b>Equity</b>			
Issued capital	15a	14,325,693	13,092,199
Reserves	16	(4,705,585)	(4,730,956)
Accumulated losses		(11,295,791)	(9,593,569)
Non-controlling interest		(822,833)	(628,520)
<b>Total equity</b>		<b>(2,498,516)</b>	<b>(1,860,846)</b>

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

**Condensed consolidated statement of changes in equity**  
for the year ended 31 December 2016

	Issued Capital	Accumulated Losses	Business Combination under Common Control	Foreign Exchange Translation Reserve	Financial assets revaluation reserve	Option Reserve	Non-controlling Interest (NCI)	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015	12,378,195	(5,136,225)	(4,701,018)	(236,046)	165,946	-	(236,462)	2,234,390
Loss for the half-year attributable owners of the parent	-	(2,377,045)	-	-	-	-	(412,798)	(2,789,843)
Other comprehensive income for the half-year attributable owners of the parent	-	-	-	179,983	(123,235)	-	-	56,748
<b>Total comprehensive income for the half-year attributable owners of the parent</b>	<b>-</b>	<b>(2,377,045)</b>	<b>-</b>	<b>179,983</b>	<b>(123,235)</b>	<b>-</b>	<b>(412,798)</b>	<b>(2,733,095)</b>
Transaction with owners, directly in equity								
Shares issued during the half-year	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	129,342	-	129,342
Dividends paid by subsidiaries	-	-	-	-	-	-	(48,481)	(48,481)
<b>Balance at 31 December 2015</b>	<b>12,378,195</b>	<b>(7,513,270)</b>	<b>(4,701,018)</b>	<b>(56,063)</b>	<b>42,711</b>	<b>129,342</b>	<b>(697,741)</b>	<b>(417,844)</b>
Balance at 1 July 2016	13,092,199	(9,593,569)	(4,701,018)	(159,280)	-	129,342	(628,520)	(1,860,846)
Loss for the half-year attributable owners of the parent	-	(1,702,222)	-	-	-	-	(210,832)	(1,913,054)
Other comprehensive income for the half-year attributable owners of the parent	-	-	-	25,371	-	-	19	25,390
<b>Total comprehensive income for the half-year attributable owners of the parent</b>	<b>-</b>	<b>(1,702,222)</b>	<b>-</b>	<b>25,371</b>	<b>-</b>	<b>-</b>	<b>(210,813)</b>	<b>(1,887,664)</b>
Transaction with owners, directly in equity								
Shares issued during the half-year	15a 1,233,494	-	-	-	-	-	-	1,233,494
Options issued during the half-year	15b -	-	-	-	-	-	-	-
NCI upon acquisition of subsidiary	-	-	-	-	-	-	16,500	16,500
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>14,325,693</b>	<b>(11,295,791)</b>	<b>(4,701,018)</b>	<b>(133,909)</b>	<b>-</b>	<b>129,342</b>	<b>(822,833)</b>	<b>(2,498,516)</b>

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

## APPENDIX 4D

Interim Financial Report  
31 December 2016

## YONDER & BEYOND GROUP LIMITED

AND CONTROLLED ENTITIES  
ABN 76 149 278 759

### Condensed consolidated statement of cash flows for the half-year ended 31 December 2016

Note	31 December 2016 \$	31 December 2015 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,444,169	2,504,130
Research and development grant received	461,327	-
Interest received	71	1,330
Interest and borrowing costs	(1,171)	(137)
Payments to suppliers and employees	(2,962,297)	(3,716,387)
Income tax credit / (expense)	-	(3,767)
<b>Net cash used in operating activities</b>	<b>(1,057,901)</b>	<b>(1,214,831)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(8,760)
Payments for intangible assets	(1,631)	(11,500)
Cash acquired from acquisition of subsidiary net of cash consideration paid	-	-
Loans provided to investee companies	-	(185,270)
Proceeds from / (payments for) investments, net of costs	151,671	277,184
<b>Net cash used in investing activities</b>	<b>150,040</b>	<b>71,654</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares after costs	809,765	-
Payments for share issue costs	(42,390)	-
Loans from related entities	44,108	319,511
Repayment of third-party borrowings	(12,000)	-
<b>Net cash provided by financing activities</b>	<b>799,483</b>	<b>319,511</b>
<b>Net increase/(decrease) in cash held</b>	<b>(108,378)</b>	<b>(823,666)</b>
Cash and cash equivalents at the beginning of the period	363,871	1,088,305
Change in foreign currency held	(637)	-
<b>Cash and cash equivalents at the end of the half-year</b>	<b>254,856</b>	<b>264,639</b>

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

## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2016

### Note 1 Statement of significant accounting policies

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

The financial statements were authorised for issue on 28 February 2017 by the directors of the Company.

#### a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Yonder and Beyond Group Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the half-year.

#### i. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* (Cth) and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

#### ii. Going concern

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

The Group incurred a loss for the half-year of \$1,913,054 (31 December 2015: \$2,789,843 loss) and a net cash out-flow from operating activities of \$1,057,901 (31 December 2015: \$1,214,831 out-flow).

As at 31 December 2016, the Company a working capital deficit of \$2,449,298 (30 June 2016: \$1,864,414 working capital deficit).

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

The Directors have prepared a cash flow forecast for the period ending 31 March 2018, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. In particular the Company:

1. has received commitments to place 14,084,615 shares at \$0.065 per share to strategic investors to raise \$915,500, as disclosed in Note 19a. Funds are expected to be available from use by 3 March 2017;
2. has negotiated extended credit terms with creditors to the value of \$745,009, in that payment won't be required until sufficient funds have been raised from debt/equity sources or profitability, at which point and appropriate payment plan will be agreed;
3. the convertible note facility provided by the CEO was extended on 7 April 2016 to 30 June 2017 and there remains \$526,686 available for immediate draw down;
4. is currently in negotiations for external investment in some of its entities, including Gophr and Boppl, which will result in the company no longer needing to fund the operations of those entities. The company expects to finalise the negotiations in relation to Gophr by 31 March 2017;
5. Beyond Media is forecast to trade profitably and provide working capital funding for other business segments in the Group by October 2017.

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

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

**Notes to the condensed consolidated financial statements**  
for the half-year ended 31 December 2016**Note 1 Statement of significant accounting policies****iii. Reverse acquisition**

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

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

**iv. Use of estimates and judgments**

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2016 annual report.

**v. Comparative figures**

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

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

**b. Critical Accounting Estimates and Judgments**

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

**i. Key Estimate – Taxation**

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 5 Income Tax.

**ii. Key judgements and estimates – Impairment**

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

**c. Changes in accounting policies, accounting standards and interpretations**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2016. All applicable new standards and interpretations issued since 1 July 2016 have been adopted. There was no significant impact on the Group.

**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2016

**Note 2 Revenue and other income**
**a. Revenue**

- Y&B Sales
- Y&B External management fees
- Y&B Interest revenue

Total revenue

**b. Other Income**

- Y&B Foreign exchange gain / (loss)
- Y&B Loss on disposal of investments
- Y&B Unrealised gain / (loss) on investments
- Y&B Other

Total Other Income

Note	31 December 2016 \$	31 December 2015 \$
	1,427,280	1,518,813
	-	135,000
	6,571	1,330
	1,433,851	1,655,143
	(14)	11,990
	(302,971)	(20,414)
	(10,000)	-
	2,833	22,391
	(310,152)	13,967

**Note 3 Profit / (loss) before income tax**

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

**a. Depreciation and amortisation:**

- Y&B Depreciation and amortisation of plant and equipment
- Y&B Amortisation of intangibles

**b. Employment costs:**

- Y&B Contractors and consultants
- Y&B Directors fees
- Y&B Increase / (decrease) in employee benefits provisions
- Y&B Superannuation and National Insurance Contributions
- Y&B Wages and salaries
- Y&B Other employment related costs

**c. Impairment:**

- Y&B Bad debts written-off
- Y&B Financial assets – available for sale
- Y&B Other assets

Note	31 December 2016 \$	31 December 2015 \$
	282	10,110
	8,236	-
	8,518	10,110
	361,154	649,620
	25,000	25,000
	(10,609)	35,769
	90,985	125,234
	891,197	1,348,918
	44,879	48,098
	1,402,606	2,232,639
	40,304	-
	-	280,179
	1,980	-
	42,284	280,179

## APPENDIX 4D

Interim Financial Report  
31 December 2016

## YONDER & BEYOND GROUP LIMITED

AND CONTROLLED ENTITIES  
ABN 76 149 278 759

### Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

#### Note 4 Earnings per share (EPS)

##### a. Reconciliation of earnings to profit or loss

(Loss) / profit for the year

Less: loss attributable to non-controlling equity interest

(Loss) / profit used in the calculation of basic and diluted EPS

Note	31 December 2016 \$	31 December 2015 \$
	(1,913,054)	(2,789,843)
	(210,832)	(412,798)
	(1,702,222)	(2,377,045)

##### b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

31 December 2016 No.	31 December 2015 No.
93,516,352	71,979,191

##### c. Earnings per share

Basic EPS (cents per share)

4d (1.82) (3.30)

31 December 2016 ¢	31 December 2015 ¢
(1.82)	(3.30)

d. The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on losses generated by the Group. As at 31 December 2016, the Group had 45,285,000 unissued shares under options that were out of the money which are anti-dilutive (31 December 2015: 45,285,000).

e. As noted in 1a.iii, the equity structure in these consolidated financial statements following the reverse acquisition reflects the equity structure of Y&B, being the legal acquirer (the accounting acquiree), including the equity interests issued by Y&B to effect the business combination.

#### Note 5 Income tax

##### a. Income tax expense / (benefit)

Current tax

Deferred tax

Note	31 December 2016 \$	31 December 2015 \$
	-	(1,647)
	-	-
	-	(1,647)

##### b. Current tax liabilities

Current tax liabilities

36,412	38,714
36,412	38,714

**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2016

**Note 6 Cash and cash equivalents**
**a. Current**

Cash at bank

	31 December 2016	30 June 2016
	\$	\$
	254,856	363,871
	254,856	363,871

**Note 7 Trade and other receivables**
**a. Current**

Trade debtors

Accrued R&amp;D grant receivable

Accrued interest receivable

Other receivables

Less: Provision for Impairment

	31 December 2016	30 June 2016
	\$	\$
	121,497	111,179
	-	461,327
	23,291	-
	78,893	81,513
	(25,147)	
	198,534	654,019

**Note 8 Non-current assets held for disposal**
**Current**

Property, plant and equipment (held in Papua New Guinea)

	31 December 2016	30 June 2016
	\$	\$
	-	1,807
	-	1,807

**Note 9 Financial assets**
**a. Current**

Shares in other companies – available for sale (at fair value)

**b. Non-current**

Shares held in other companies – available for sale

Less: Set-off of amounts due to investee companies liabilities

Impairment of remaining balance

Options held in other companies – available for sale

Loans to other companies

Note	31 December 2016	30 June 2016
	\$	\$
	-	454,366
	-	454,366
	-	1,346,876
	-	(1,077,280)
	-	(269,320)
	-	276
9b.i	1,000	11,000
9b.ii	260,000	260,000
	261,000	271,276

i. The Group holds 1,000,000 options in Connexion Media Limited (**CXZO**). The fair value of these shares at 31 December 2016 was based on the ASX quoted market value. These options are classified as Tier 1 financial assets.

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



## APPENDIX 4D

Interim Financial Report  
31 December 2016

## YONDER & BEYOND GROUP LIMITED

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### Notes to the condensed consolidated financial statements for the half-year ended 31 December 2016

#### Note 10 Plant, and equipment

##### Non-current

Plant and equipment

Accumulated depreciation

Total plant and equipment

31 December 2016 \$	30 June 2016 \$
41,221	46,932
(24,516)	(28,540)
16,705	18,392

#### Note 11 Intangible assets

##### a. Non-current

Goodwill

Accumulated impairment

Intellectual property – software (**IP Software**)

Accumulated amortisation

31 December 2016 \$	30 June 2016 \$
889,266	889,266
(889,266)	(889,266)
71,736	53,636
(51,948)	(25,612)
19,788	28,024

#### Note 12 Trade and other payables

##### a. Current

*Unsecured*

Trade payables

Other payables

Employment liabilities

Value-added and other taxes payable

Unallocated application funds

Note	31 December 2016 \$	30 June 2016 \$
	1,669,615	1,336,551
	329,243	392,382
	691,539	874,702
	131,560	158,366
	-	20,826
	2,821,957	2,782,827

#### NOTE 13 Borrowings

##### a. Current

Financial institutions

##### b. Non-current

Director-related loans

Loans – non-director related parties

Note	31 December 2016 \$	30 June 2016 \$
	17,117	30,916
	17,117	30,916
13b.i	256,262	678,276
	90,449	90,214
	346,711	768,490

- i. On 28 December 2016 the Company settled loans owed to Directors Messrs Fernando and Bell of \$328,000 and \$138,121 respectively through the issue of shares at a conversion rate of \$0.08 per share. This resulted in the issue of shares to Messrs Fernando and Bell of 4,100,000 and 1,726,520 respectively in fully satisfaction of the \$466,121 owing.

**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2016

**Note 14 Provisions**

**a. Disclosed as:**

Y&B Current

Carrying amount at the end of year

	31 December 2016 \$	30 June 2016 \$
Y&B Current	40,914	52,899
Carrying amount at the end of year	40,914	52,899

**Note 15 Issued capital**

Note

Fully paid ordinary shares at no par value

15a

	31 December 2016 No.	30 June 2016 No.	31 December 2016 \$	30 June 2016 \$
Fully paid ordinary shares at no par value	109,296,586	89,973,986	14,325,693	13,092,199
	6 months to 31 December 2016 No.	12 months to 30 June 2016 No.	6 months to 31 December 2016 \$	12 months to 30 June 2016 \$
<b>a. Ordinary shares</b>				
At the beginning of the period	89,973,986	71,979,191	13,092,199	12,378,195
Shares issued during the period:				
Y&B 14 November 2016 Placement	13,496,080	-	809,765	-
Y&B 28 December 2016 Conversion	5,826,520	-	466,121	-
Y&B 19 April 2016	-	10,796,877	-	431,875
Y&B 22 June 2016	-	7,197,918	-	287,916
Transaction costs relating to share issues	-	-	(42,392)	(5,787)
At reporting date	109,296,586	89,973,986	14,325,693	13,092,199

**b. Options**

Unlisted options

At the beginning of the period

Y&B Issue to consultant 24 September 2015

Y&B Expiration of options 30 July 2015

Y&B Expiration of options 31 October 2015

At reporting date

	6 months to 31 December 2016 No.	12 months to 30 June 2016 No.
Unlisted options	45,285,000	45,285,000
At the beginning of the period	45,285,000	42,547,500
Y&B Issue to consultant 24 September 2015	-	3,000,000
Y&B Expiration of options 30 July 2015	-	(100,000)
Y&B Expiration of options 31 October 2015	-	(162,500)
At reporting date	45,285,000	45,285,000

**Note 16 Reserves**

Note

Business combination under common control reserve

Foreign exchange reserve

Financial assets revaluation reserve

Option reserve

	31 December 2016 \$	30 June 2016 \$
Business combination under common control reserve	(4,701,018)	(4,701,018)
Foreign exchange reserve	(133,909)	(159,280)
Financial assets revaluation reserve	-	-
Option reserve	129,342	129,342
	(4,705,585)	(4,730,956)

## APPENDIX 4D

Interim Financial Report  
31 December 2016

## YONDER & BEYOND GROUP LIMITED

AND CONTROLLED ENTITIES  
ABN 76 149 278 759

### Notes to the condensed consolidated financial statements for the half-year ended 31 December 2016

#### Note 17 Operating segments

##### a. Segment Performance

	United Kingdom	Australia	United States	All other regions segments	Total
	\$	\$	\$	\$	\$
<b>Half-Year ended 31 December 2016</b>					
<b>Revenue</b>					
Revenue	1,405,195	22,085	-	-	1,427,280
Intra-segment sales	152,413	-	66,260	-	218,673
Interest revenue	5	6,566	-	-	6,571
<b>Total segment revenue</b>	<b>1,557,613</b>	<b>28,651</b>	<b>66,260</b>	<b>-</b>	<b>1,652,524</b>
<i>Reconciliation of segment revenue to group revenue:</i>					
Intra-segment eliminations					(249,410)
Unrealised gain / (loss) on investments		(10,000)			(10,000)
Loss of disposal of investments	-	(302,971)	-	-	(302,971)
Other income	33,569	(13)	-	-	33,556
<b>Total group revenue and other income</b>					<b>1,123,699</b>
<b>Segment loss from continuing operations before tax</b>	<b>(888,115)</b>	<b>(831,773)</b>	<b>(61,876)</b>	<b>(122,772)</b>	<b>(1,904,536)</b>
<i>Reconciliation of segment loss to group loss:</i>					
(i) Amounts not included in segment results but reviewed by Board:					
Depreciation and amortisation	(8,236)	(282)	-	-	(8,518)
<b>Profit before income tax</b>					<b>(1,913,054)</b>
<b>Half-Year ended 31 December 2015</b>					
<b>Revenue</b>					
Revenue	1,482,240	137,000	34,573	-	1,653,813
Intra-segment sales	852,638	-	-	-	852,638
Interest revenue	-	1,330	-	-	1,330
<b>Total segment revenue</b>	<b>2,334,878</b>	<b>138,330</b>	<b>34,573</b>	<b>-</b>	<b>2,507,781</b>
<i>Reconciliation of segment revenue to group revenue:</i>					
Intra-segment eliminations					(852,638)
Share of associate's profit or loss					(192,117)
Other income	22,391	(20,414)	-	11,990	13,967
<b>Total group revenue and other income</b>					<b>1,476,993</b>
<b>Segment loss from continuing operations before tax</b>	<b>(1,441,022)</b>	<b>(855,308)</b>	<b>(106,005)</b>	<b>(186,928)</b>	<b>(2,589,263)</b>
<i>Reconciliation of segment loss to group loss:</i>					
(i) Amounts not included in segment results but reviewed by Board:					
Depreciation and amortisation	(9,296)	(814)	-	-	(10,110)
(ii) Unallocated items:					
Share of associate's profit or loss					(192,117)
<b>Loss before income tax</b>					<b>(2,791,490)</b>

**Notes to the condensed consolidated financial statements**

for the half-year ended 31 December 2016

**Note 17 Operating segments (cont.)**

	United Kingdom \$	Australia \$	United States \$	All other regions segments \$	Total \$
<b>At as 31 December 2016</b>					
<b>Segment Assets</b>	440,946	23,400,339	24,113	107	23,865,505
<i>Reconciliation of segment assets to group assets:</i>					
Investments in associates					-
Intra-segment eliminations					(23,100,910)
<b>Total assets</b>					<b>764,595</b>
<b>Segment Liabilities</b>	1,305,505	1,763,021	-	331,249	3,399,775
<i>Reconciliation of segment liabilities to group liabilities</i>					
Intra-segment eliminations					(136,664)
<b>Total liabilities</b>					<b>3,263,111</b>
<b>As at 30 June 2016</b>					
<b>Segment Assets</b>	1,174,469	23,975,863	138,622	1,908	25,290,862
<i>Reconciliation of segment assets to group assets:</i>					
Investments in associates					-
Intra-segment eliminations					(23,477,862)
<b>Total assets</b>					<b>1,813,000</b>
<b>Segment Liabilities</b>	1,748,032	2,030,448	20,174	272,840	4,071,494
<i>Reconciliation of segment liabilities to group liabilities</i>					
Intra-segment eliminations					(397,648)
<b>Total liabilities</b>					<b>3,673,846</b>

**Note 18 Contingent liabilities**

There are no contingent liabilities as at 31 December 2016 (June 2016: Nil).

**Note 19 Events subsequent to reporting date**

On 23 February 2017:

- The Company announced it has received commitments to place 14,084,615 shares at \$0.065 per share to strategic investors to raise \$915,500 (before costs) as approved at the Company's AGM (**Placement**). The Placement has been made to sophisticated investors, pursuant to Section 708A of the Corporations Act 2001. The Placement will be used to accelerate growth of existing businesses and for working capital purposes.
- The Company's subsidiary, Beyond Media, extended its collaboration with Lenovo to include the delivery of Virtual Reality and Gaming related technologies enhancing the VR and Gaming capabilities of the content delivery platform Beyond Media is building for Lenovo.

**Note 20 Commitments**

The Group has no material commitments as at 31 December 2016 (June 2016: nil)

## APPENDIX 4D

Interim Financial Report  
31 December 2016

YONDER & BEYOND GROUP LIMITED

AND CONTROLLED ENTITIES

ABN 76 149 278 759

### Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 5 to 17, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
  - (b) give a true and fair view of the financial position as at 31 December 2016 and of the performance for the half-year ended on that date of the Company.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the *Corporations Act 2001* (Cth) and is signed for and on behalf of the directors by:



**JAY STEPHENSON**

Chairman

Dated this Tuesday, 28 February 2017

## Independent Auditor's Review Report

### To the Members of Yonder and Beyond Group Limited

We have reviewed the accompanying half-year financial report of Yonder and Beyond Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

#### Directors Responsibility for the Half-Year Financial Report

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

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# Independent Auditor's Review Report

To the Members of Yonder and Beyond Group Limited (Continued)

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## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## Conclusion

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

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and *Corporations Regulations 2001*.

## Emphasis of Matter

Without qualifying our conclusion, we draw attention to note 1(a)(ii) of the half-year financial report which indicates that the Consolidated Entity incurred a net loss of \$1,913,054 during the half-year ended 31 December 2016. This condition, along with other matters as set forth in note 1(a)(ii), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

**BENTLEYS**  
Chartered Accountants

**MARK DELAURENTIS CA**  
Director

Dated at Perth this 28<sup>th</sup> day of February 2017

# YONDER & BEYOND

