YONDER & BEYOND

ABN 76 149 278 759

APPENDIX 4D

Interim Financial Report

31 December 2017

Corporate Directory

Current Directors

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

Company Secretary

Christopher Shearer

Registered Office

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Website: www.yonderbeyond.com

Share Registry

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Level 11, 172 St Georges Terrace
Perth WA 6000
Telephone: 1300 850 505 (investors within Australia)
Telephone: +61 (0)3 9415 4000
Email: web.queries@computershare.com.au
Website: www.investorcentre.com

Securities Exchange

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000
Telephone: 131 ASX (131 279) (within Australia)
Telephone: +61 (0)2 9338 0000
Facsimile: +61 (0)2 9227 0885
Website: www.asx.com.au
ASX Code YNB

Auditors

Bentleys
London House
Level 3, 216 St Georges Terrace
Perth WA 6000
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YONDER & BEYOND GROUP LIMITED

AND CONTROLLED ENTITIES

ABN 76 149 278 759

APPENDIX 4D

Interim Financial Report

31 December 2017

Results for announcement to the Market

for the half-year ended 31 December 2017

1 REPORTING PERIOD (item 1)

Report for the period ended:	31 December 2017
Previous corresponding period is half-year ended:	31 December 2016

2 RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Movement	Percentage %		Amount $
Revenues from ordinary activities (item 2.1)	Increased	150.64	to	3,593,822
Loss from ordinary activities after tax attributable to members (item 2.2)	Decrease in Loss	(72.32)	to	(471,255)
Loss from after tax attributable to members (item 2.3)	Decrease in Loss	(72.32)	to	(471,255)

a. Dividends (item 2.4 and 5)

	Amount per Security ¢	Franked amount per security %
Interim dividend	nil	n/a
Final dividend	nil	n/a
Record date for determining entitlements to the dividend (item 2.5)	n/a	

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 increase by 150.64% and the total loss for the Group decrease by 72.32%. This is due to growth in the Gophr and Boppl businesses as well as royalty revenue received by Beyond Media.

3 DIVIDENDS (item 6) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS

Nil.

a. Details of dividend or distribution reinvestment plans in operation are described below (item 6):

Not applicable

4 RATIOS

	Current period	Previous corresponding period
a. Financial Information relating to 4b:	$	$
Earnings for the period attributable to Owners of the parent	(471,255)	(1,702,222)
Net assets	784,083	(2,498,516)
Less: Intangible assets	(616,108)	(19,788)
Net tangible (liabilities)/assets	167,975	(2,518,304)
	No.	No.
Fully paid ordinary shares	185,027,802	109,296,586
	¢	¢
b. Net tangible (liability)/assets backing per share (cents) (item 3):	0.091	(2.304)

YONDER & BEYOND

Results for announcement to the Market

for the half-year ended 31 December 2017

5 DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 4)

a. Control gained over entities

- Name of entities (item 4.1) — Nil
- Date(s) of gain of control (item 4.2) — N/A

b. Loss of control of entities

- Name of entities (item 4.1) — Nil
- 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 DETAILS OF ASSOCIATES AND JOINT VENTURES: (item 7)

- Name of entities (item 7) — Nil
- Percentage holding in each of these entities (item 7) — N/A

	Current period $	Previous corresponding Period $
Aggregate share of profits (losses) of these entities (item 7)	-	-

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 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:

"We draw attention to Note 1(a)(ii) in the financial report, which indicates that the Consolidated Entity incurred a net loss of $579,620 during the half year ended 31 December 2017. As stated in Note 1(a)(ii), these events or conditions, along with other matters as set forth in Note 1(a)(ii), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter."

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 2017.

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
Mr John Bell	Executive Director and CFO
Mr Michael Hynes	Executive Director and COO
Mr Shashi Fernando	Executive Director and CEO *(resigned 4 October 2017)*

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

2. Operating and financial review

2.1. Operations Review

The half-year ended 31 December 2017 provided significant increases in revenue with both Gophr and Boppl having record sales and Beyond Media generating first revenues.

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 $579,620 (Dec 2016: $1,913,054 loss).

The net assets of the Group have increased from 30 June 2017 by $1,998,140 to net assets of $784,083 at 31 December 2017 (June 2017: $(1,214,057) net asset deficiency).

As at 31 December 2017, the Group's cash and cash equivalents decreased from 30 June 2017 by $32,113 to $204,786 (June 2017: $236,899) and had a working capital deficit of $472,911 (June 2017: $(2,036,266) 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 30,000,000 shares at $0.05 per share to strategic investors to raise $1,500,000 (before costs) as approved at the Company's General Meeting (Placement). The Placement has been made to sophisticated investors, pursuant to Section 708A of the Corporations Act 2001 and will be used to accelerate growth of existing businesses and for working capital purposes.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at note 18 Events subsequent to reporting date on page 19.

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 2017 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 Wednesday, 28 February 2018

Bentleys
THINKING AHEAD

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To the Board of Directors

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

As lead audit director for the review of the financial statements of Yonder and Beyond Group Limited for the period ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the 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 28th day of February 2018

KRESTON

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Accountants
Auditors
Advisors

Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2017

	Note	31 December 2017 $	31 December 2016 $
Continuing operations			
Revenue	2	3,593,822	1,433,851
Other income	2	1,053,619	(310,152)
		4,647,441	1,123,699
Costs of sales		(2,547,177)	(1,070,491)
		2,100,264	53,208
Business development		(152,067)	(214,965)
Compliance costs		(186,115)	(82,999)
Computers and communications		(37,187)	(37,812)
Depreciation and amortisation	3a	(107,972)	(8,518)
Employee benefits expenses	3b	(1,261,014)	(1,402,606)
Impairment	3c	(204,599)	(42,284)
Finance costs		(4,666)	(1,171)
Professional fees		(10,018)	(17,221)
Rent and utilities		(84,646)	(112,540)
Share-based payments	15	(625,763)	-
Other expenses		(48,732)	(46,146)
Loss before tax	3	(622,515)	(1,913,054)
Income tax benefit / (expense)	5	42,895	-
Loss from continuing operations		(579,620)	(1,913,054)
Net loss for the half-year		(579,620)	(1,913,054)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		(17,286)	25,390
Other comprehensive income for the half-year, net of tax		(17,286)	25,390
Total comprehensive income attributable to members of the parent entity		(596,906)	(1,887,664)
Profit/(loss) for the period attributable to:			
Non-controlling interest		(108,365)	(210,832)
Owners of the parent		(471,255)	(1,702,222)
Total comprehensive income/(loss) attributable to:			
Non-controlling interest		(108,167)	(210,813)
Owners of the parent		(488,739)	(1,676,851)
Earnings per share:		¢	¢
Basic and diluted loss per share (cents per share)	4	(0.31)	(1.82)

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 2017

	Note	31 December 2017 $	30 June 2017 $
Current assets			
Cash and cash equivalents	6	204,786	236,899
Trade and other receivables	7	1,123,862	765,564
Other current assets		25,319	11,613
Total current assets		1,353,967	1,014,076
Non-current assets			
Financial assets	8	619,907	260,000
Plant and equipment	9	20,979	9,201
Intangible assets	10	616,108	553,008
Total non-current assets		1,256,994	822,209
Total assets		2,610,961	1,836,285
Current liabilities			
Trade and other payables	11	1,383,261	2,664,272
Borrowings	12a	408,723	314,561
Short-term provisions		34,894	26,977
Current tax liabilities	5b	-	44,532
Total current liabilities		1,826,878	3,050,342
Total liabilities		1,826,878	3,050,342
Net assets		784,083	(1,214,057)
Equity			
Issued capital	13a	17,426,620	15,457,337
Reserves	14	(4,189,520)	(4,777,246)
Accumulated losses		(11,415,969)	(10,965,267)
Non-controlling interest		(1,037,048)	(928,881)
Total equity		784,083	(1,214,057)

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 half-year ended 31 December 2017

		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 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
Total comprehensive income for the half-year attributable owners of the parent		-	(1,702,222)	-	25,371	-	-	(210,813)	(1,887,664)
Transaction with owners, directly in equity									
Shares issued during the half-year	13a	1,233,494	-	-	-	-	-	-	1,233,494
Options issued during the half-year	13b	-	-	-	-	-	-	-	-
NCI upon acquisition of subsidiary		-	-	-	-	-	-	16,500	16,500
Balance at 31 December 2016		14,325,693	(11,295,791)	(4,701,018)	(133,909)	-	129,342	(822,833)	(2,498,516)
Balance at 1 July 2017		15,457,337	(10,965,267)	(4,701,018)	(205,570)	-	129,342	(928,881)	(1,214,057)
Loss for the half-year attributable owners of the parent		-	(471,255)	-	-	-	-	(108,365)	(579,620)
Other comprehensive income for the half-year attributable owners of the parent		-	-	-	(17,484)	-	-	198	(17,286)
Total comprehensive income for the half-year attributable owners of the parent		-	(471,255)	-	(17,484)	-	-	(108,167)	(596,906)
Transaction with owners, directly in equity									
Shares issued during the half-year	13a	2,033,858	-	-	-	-	-	-	2,033,858
Transaction costs	13a	(64,575)	-	-	-	-	-	-	(64,575)
Options issued during the half-year	13b	-	-	-	-	-	625,763	-	625,763
Expiration of options		-	20,553	-	-	-	(20,553)	-	-
Balance at 31 December 2017		17,426,620	(11,415,969)	(4,701,018)	(223,054)	-	734,552	(1,037,048)	784,083

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

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2017

	Note	31 December 2017 $	31 December 2016 $
Cash flows from operating activities			
Receipts from customers		3,511,930	1,444,169
Research and development grant received		336,915	461,327
Interest received		1,011	71
Interest and borrowing costs		(4,666)	(1,171)
Payments to suppliers and employees		(4,894,368)	(2,962,297)
Net cash used in operating activities		(1,049,178)	(1,057,901)
Cash flows from investing activities			
Payments for property, plant and equipment		(14,269)	-
Payments for intangible assets		(157,361)	(1,631)
Proceeds from / (payments for) investments		(400,000)	151,671
Net cash used in investing activities		(571,630)	150,040
Cash flows from financing activities			
Proceeds from issue of shares		1,322,000	809,765
Payments for share issue costs		(64,575)	(42,390)
Loans from related entities		-	44,108
Proceeds from / (repayment of) third-party borrowings		328,430	(12,000)
Net cash provided by financing activities		1,585,855	799,483
Net increase/(decrease) in cash held		(34,953)	(108,378)
Cash and cash equivalents at the beginning of the period		236,899	363,871
Change in foreign currency held		2,840	(637)
Cash and cash equivalents at the end of the half-year	6	204,786	254,856

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 2017

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 2017, 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 $579,620 (31 December 2016: $1,913,054 loss) and a net cash out-flow from operating activities of $1,049,178 (31 December 2016: $1,057,901 out-flow).

As at 31 December 2017, the Company a working capital deficit of $472,911 (30 June 2017: $2,036,266 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 28 February 2019, 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. Subsequent to year end has announced it has received firm commitments for subscription sums of $1,500,000 through the issue of 30,000,000 shares at $0.05 before costs;
2. Is currently in negotiations for external investment in some of its entities, including Gophr and Boppl, which will result in the company no longer needing to fund the operations of those entities and is expected during the 2018 financial year.

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 2017

Note 1 Statement of significant accounting policies

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.

iii. Use of estimates and judgments

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2017 annual report.

iv. 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 judgements and estimates – Intellectual Property - Software

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

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

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

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

ii. Key Estimate – Taxation

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.

iii. Key judgements and estimates – Impairment

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

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 1 Statement of significant accounting policies

iv. Key judgements and estimates – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 15 Share-based payments.

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 2017. All applicable new standards and interpretations issued since 1 July 2017 have been adopted. There was no significant impact on the Group.

Note 2 Revenue and other income

	Note	31 December 2017 $	31 December 2016 $
a. Revenue			
Sales		3,589,922	1,427,280
Interest revenue		3,900	6,571
		3,593,822	1,433,851
b. Other Income			
Foreign exchange gain / (loss)		(8)	(14)
Loss on disposal of investments		-	(302,971)
Gain of liquidation of subsidiary		32,261	-
Gain on forgiveness of liabilities		974,407	-
Research and development grant income		58,586	-
Unrealised gain / (loss) on investments		(32,293)	(10,000)
Other		20,666	2,833
		1,053,619	(310,152)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 3 Profit / (loss) before income tax

	31 December 2017 $	31 December 2016 $
The following significant revenue and expense items are relevant in explaining the financial performance:		
a. Depreciation and amortisation:		
Depreciation and amortisation of plant and equipment	2,645	282
Amortisation of intangibles	105,327	8,236
	107,972	8,518
b. Employment costs:		
Contractors and consultants	374,244	361,154
Directors fees	27,375	25,000
Increase / (decrease) in employee benefits provisions	13,352	(10,609)
Superannuation and National Insurance Contributions	89,161	90,985
Wages and salaries	719,890	891,197
Other employment related costs	36,992	44,879
	1,261,014	1,402,606
c. Impairment:		
Bad debts written-off	-	40,304
Impairment of trade receivables	204,599	-
Other assets	-	1,980
	204,599	42,284

Note 4 Earnings per share (EPS)

	Note	31 December 2017 $	31 December 2016 $
a. Reconciliation of earnings to profit or loss			
(Loss) / profit for the half-year		(579,620)	(1,913,054)
Less: loss attributable to non-controlling equity interest		(108,365)	(210,832)
(Loss) / profit used in the calculation of basic and diluted EPS		(471,255)	(1,702,222)
		31 December 2017 No.	31 December 2016 No.
b. Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS		152,244,521	93,516,352
		31 December 2017 ¢	31 December 2016 ¢
c. Earnings per share			
Basic EPS (cents per share)	4d	(0.31)	(1.82)

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 2017, the Group had 85,535,000 unissued shares under options that were out of the money which are anti-dilutive (31 December 2016: 45,285,000).

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 5 Income tax

	31 December 2017 $	31 December 2016 $
a. Income tax expense / (benefit)		
Current tax	(42,895)	-
Deferred tax	-	-
	(42,895)	-

	31 December 2017 No.	31 December 2016 No.
b. Current tax liabilities		
Current tax liabilities	-	44,532
	-	44,532

Note 6 Cash and cash equivalents

	31 December 2017 $	30 June 2017 $
a. Current		
Cash at bank	204,786	236,899
	204,786	236,899

Note 7 Trade and other receivables

	31 December 2017 $	30 June 2017 $
a. Current		
Trade debtors	1,248,355	415,200
Less: Provision for impairment	(208,729)	-
Accrued Research and Development grant receivable	-	278,329
Other receivables	84,236	72,035
	1,123,862	765,564

Note 8 Financial assets

	Note	31 December 2017 $	30 June 2017 $
a. Non-current			
Shares held in other companies – available for sale	8a.i	359,907	-
Loans to other companies	8a.ii	260,000	260,000
		619,907	260,000

i. During the period the Company acquired 300,000 Class A Participating Shares in Lancing Liquid Relative Value Fund.

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

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 9 Plant, and equipment

	31 December 2017 $	30 June 2017 $
a. Non-current		
Plant and equipment	46,602	33,720
Accumulated depreciation	(25,623)	(24,519)
	20,979	9,201

Note 10 Intangible assets

	31 December 2017 $	30 June 2017 $
a. Non-current		
Goodwill	-	889,266
Accumulated impairment	-	(889,266)
Intellectual property – software (**IP Software**)	756,896	586,596
Accumulated amortisation	(140,788)	(33,588)
	616,108	553,008

Note 11 Trade and other payables

	Note	31 December 2017 $	30 June 2017 $
a. Current			
Unsecured			
Trade payables	13a.i	275,067	1,352,641
Other payables		286,495	399,523
Employment liabilities	13a.i,ii	309,364	629,369
Value-added and other taxes payable		462,773	225,685
Income in advance		49,562	57,054
		1,383,261	2,664,272

NOTE 12 Borrowings

	Note	31 December 2017 $	30 June 2017 $
a. Current			
Financial institutions		-	5,945
Invoice funding facility	12a.i	319,922	-
Director-related loans	13a.ii	31,931	241,081
Loans – non-director related parties		56,870	67,535
		408,723	314,561

i. Prism Digital has an invoice financing facility of £350,000 with Lloyds Bank which was implemented in the December quarter. Under this arrangement, Lloyds advances 90% of the face value of contractor invoices and 70% of the face value of permanent placement invoices. An interest rate of 2% above base rate of the Bank of England plus a service fee of 0.4% is charged for this service.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 13 Issued capital

	Note	31 December 2017 No.	30 June 2017 No.	31 December 2017 $	30 June 2017 $
Fully paid ordinary shares at no par value	13a	185,027,802	123,381,201	17,426,620	15,457,337

a. Ordinary shares

		6 months to 31 December 2017 No.	12 months to 30 June 2017 No.	6 months to 31 December 2017 $	12 months to 30 June 2017 $
At the beginning of the period		123,381,201	89,973,986	15,457,337	13,092,199
Shares issued during the period:					
14.11.2017 *Placement*		-	13,496,080	-	809,765
28.12.2017 *Conversion*		-	5,826,520	-	466,121
28.02.2017 *Placement*		-	14,084,615	-	915,500
Application funds received in advance		-	-	-	282,000
14.07.2017 *Placement*		13,975,000	-	277,000	-
4.10.2017 *Debt Forgiveness*	13a.i	14,078,785	-	563,145	-
4.10.2017 *Debt Forgiveness - KMP*	13a.ii	3,592,816	-	143,713	-
15.11.2017 *Placement*		30,000,000	-	1,050,000	-
Transaction costs relating to share issues		-	-	(64,575)	(108,248)
At reporting date		185,027,802	123,381,201	17,426,620	15,457,337

i. Lenders and creditors agreed to accept the issue of 14,078,785 shares in the Company in exchange for writing off all claims against the Company for amounts owing to them. This amounts to a conversion of $563,145 at $0.04 per share and a debt forgiveness benefit to the Company of $323,054.

ii. Mr Jay Stephenson a Director of the Company agreed to accept the issue of 1,960,651 shares in the Company in exchange for writing off all amounts owing to him. This amounts to a conversion of $78,426 at $0.04 per share and a debt forgiveness benefit to the Company of $52,284. Additionally, former director Mr Shashi Fernando agreed to accept the issue of 1,632,165 shares in the Company in exchange for writing off all amounts owing to him. This amounts to a conversion of $65,287 at $0.04 per share and a debt forgiveness benefit to the Company of $599,069.

b. Options

	Note	6 months to 31 December 2017 No.	12 months to 30 June 2017 No.
Unlisted options		85,535,000	45,285,000
At the beginning of the period		45,285,000	45,285,000
19 September 2017 *Issue through share-based payment*	15a	67,250,000	-
30 November 2017 *Expiration of Performance A and B options*		(25,000,000)	-
30 November 2017 *Expiration of Corporate Adviser options*		(1,500,000)	-
31 December 2017 *Expiration of Corporate Adviser options*		(500,000)	-
At reporting date		85,535,000	45,285,000

Note 14 Reserves

	31 December 2017 $	30 June 2017 $
Business combination under common control reserve	(4,701,018)	(4,701,018)
Foreign exchange reserve	(223,054)	(205,570)
Option reserve	734,552	129,342
	(4,189,520)	(4,777,246)

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 15 Share-based payments

	Note	31 December 2017 $	31 December 2016 $
Share-based payment expense	15a	625,763	-
Total share-based payment expense		625,763	-

a. **Share-based payment arrangements in effect during the period**

i. Share-based payments recognised in profit or loss

(1) **Creditor options**

Approval was obtained to issue 31,500,000 options to non-related parties of the Company. The options were issued to parties who provided services to the Company in order to assist the Company in minimising short-term cash outflow for services provided. The options formed part of the overall debt reduction program that has been implemented and accepted by the Board and the Companies major creditors, with terms summarised below and further detailed in Note 15d:

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
9,750,000	1 December 2021	$0.06	Immediately upon issue
9,750,000	1 December 2021	$0.12	Immediately upon issue
12,000,000	1 December 2021	$0.22	Immediately upon issue

(2) **Director options – debt forgiveness**

Approval was obtained to issue 4,000,000 options to Mr Jay Stephenson in respect to forgiveness of debts in respect to services provided amounting to $52,284 in order to assist the Company in minimising short-term cash outflow for services provided, with terms summarised below and further detailed in Note 15d:

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
1,000,000	1 December 2021	$0.06	Immediately upon issue
1,000,000	1 December 2021	$0.12	Immediately upon issue
2,000,000	1 December 2021	$0.22	Immediately upon issue

(3) **Director incentive options**

Approval was obtained to issue 25,000,000 options to Directors of the Company, Messrs Hynes and Bell. The options were issued to appropriately incentivise and provide cost effective remuneration to the Directors for their ongoing commitment and contribution to the Company and to continue to vigorously pursue and fulfil the Company's stated objectives, with terms summarised below and further detailed in Note 15d:

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
6,500,000	1 December 2021	$0.06	Vest over 12 months
6,500,000	1 December 2021	$0.12	Vest over 12 months
12,000,000	1 December 2021	$0.22	Vest over 12 months

(4) **Employee options**

Under the Company's Employee Share Option Plan, the Company issued 6,750,000 Options to Employees of the Company with terms summarised below and further detailed in Note 15d:

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
750,000	1 December 2021	$0.06	Immediately upon issue
5,000,000	1 December 2021	$0.12	Immediately upon issue
1,000,000	1 December 2021	$0.22	Immediately upon issue

b. **Options granted to KMP are as follows**

Grant Date	Number
19 September 2017	29,000,000

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 15 Share-based payments (cont.)

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

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

	6 months to 31 December 2017		6 months to 31 December 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the half-year	45,285,000	$0.271	45,285,000	$0.271
Granted	67,250,000	$0.144	-	-
Exercised	-	-	-	-
Expired	(27,000,000)	$0.220	-	-
Outstanding at half-year-end	85,535,000	$0.190	45,285,000	$0.271
Exercisable at half-year-end	58,535,000	$0.206	45,285,000	$0.271

i. No options were exercised during the half-year.

ii. The weighted average remaining contractual life of options outstanding at half-year end was 3.144 years. The weighted average exercise price of outstanding shares at the end of the reporting period was $0.190.

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

d. Fair value of options grants during the period

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

The weighted average fair value of options granted during the period was $0.0129 (30 June 2017 year: 0.0431). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this half-year:

Grant date:	19 September 2017		
Grant date share price:	$0.043		
Option exercise price:	$0.06	$0.12	$0.22
Number of options issued:	18,000,000	22,250,000	27,000,000
Remaining life (from grant date) (years):	4.2 years		
Expected share price volatility:	69.28%		
Risk-free interest rate:	2.36%		
Value per option	$0.0200	$0.0131	$0.008

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

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

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 16 Operating segments

a. Segment Performance

Half-Year ended 31 December 2017	United Kingdom $	Australia $	United States $	All other regions segments $	Total $
Revenue					
Revenue	3,541,748	48,174	-	-	3,589,922
Intra-segment sales	-	-	-	-	-
Interest revenue	862	3,038	-	-	3,900
Total segment revenue	3,542,610	51,212	-	-	3,593,822
Reconciliation of segment revenue to group revenue:					
Gain on forgiveness of liabilities	347,994	424,016	-	202,397	974,407
Unrealised gain / (loss) on investments	-	(32,293)	-	-	(32,293)
Research and development grant income	-	58,586	-	-	58,586
Other income	8,456	44,463	-	-	52,919
Total group revenue and other income					4,647,441
Segment profit / (loss) from continuing operations before tax	68,274	(776,618)	(8,595)	202,396	(514,543)
Reconciliation of segment loss to group loss:					
(i) Amounts not included in segment results but reviewed by Board:					
Depreciation and amortisation	(105,820)	(2,152)	-	-	(107,972)
Profit before income tax					(622,515)
Half-Year ended 31 December 2016					
Revenue					
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
Total segment revenue	1,557,613	28,651	66,260	-	1,652,524
Reconciliation of segment revenue to group revenue:					
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
Total group revenue and other income					1,123,699
Segment loss from continuing operations before tax	(888,115)	(831,773)	(61,876)	(122,772)	(1,904,536)
Reconciliation of segment loss to group loss:					
(i) Amounts not included in segment results but reviewed by Board:					
Depreciation and amortisation	(8,236)	(282)	-	-	(8,518)
(ii) Unallocated items:					
Share of associate's profit or loss					-
Loss before income tax					(1,913,054)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2017

Note 16 Operating segments (cont.)

At as 31 December 2017	United Kingdom $	Australia $	United States $	All other regions segments $	Total $
Segment Assets	1,872,604	24,486,796	319	99	26,359,818
Reconciliation of segment assets to group assets:					
Y&B Investments in associates					-
Y&B Intra-segment eliminations					(23,748,857)
Total assets					2,610,961
Segment Liabilities	1,633,602	476,801	-	93,360	2,203,763
Reconciliation of segment liabilities to group liabilities					
Y&B Intra-segment eliminations					(376,885)
Total liabilities					1,826,878
As at 30 June 2017					
Segment Assets	1,573,932	24,023,333	1,713	103	25,599,081
Reconciliation of segment assets to group assets:					
Y&B Investments in associates					-
Y&B Intra-segment eliminations					(23,762,796)
Total assets					1,836,285
Segment Liabilities	1,506,485	1,623,400	-	301,131	3,431,016
Reconciliation of segment liabilities to group liabilities					
Y&B Intra-segment eliminations					(380,674)
Total liabilities					3,050,342

Note 17 Contingent liabilities

There are other no contingent liabilities as at 31 December 2017 (June 2017: Nil).

Note 18 Events subsequent to reporting date

a. The Company announced it has received commitments to place 30,000,000 shares at $0.05 per share to strategic investors to raise $1,500,000 (before costs) as approved at the Company's General Meeting (**Placement**). The Placement has been made to sophisticated investors, pursuant to Section 708A of the Corporations Act 2001 and will be used to accelerate growth of existing businesses and for working capital purposes.

Note 19 Commitments

The Group has no material commitments as at 31 December 2017 (June 2017: nil)

Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 5 to 19, 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 2017 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 Wednesday, 28 February 2018

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Yonder and Beyond Group Limited

We have reviewed the accompanying 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 2017, 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 period.

Directors Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the 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 2017 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 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.

KRESTON

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Accountants
Auditors
Advisors

Independent Auditor's Review Report

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

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 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 2017 and of its performance for the period ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a)(ii) in the financial report, which indicates that the Consolidated Entity incurred a net loss of $579,620 during the half year ended 31 December 2017. As stated in Note 1(a)(ii), these events or conditions, along with other matters as set forth in Note 1(a)(ii), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated at Perth this 28th day of February 2018

YONDER & BEYOND