REELTIME MEDIA LTD ACN 085 462 362
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)

Annual Report for the Year Ended
30 June 2012

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The Board's role is set out in the Board Charter which establishes the relationship between the Board and management and describes their respective functions and responsibilities.

The Board is responsible for the oversight and performance of the Company, including matters such as:

(a) Overall corporate governance;

(b) Formulating, approving and monitoring corporate objectives with a view to maximising shareholder value;

(c) Selecting, appointing and reviewing key consultants and executives;

(d) Identifying management and business risks;

(e) Monitoring systems of internal control and compliance;

(f) Evaluating, approving and monitoring the strategic and financial plans and performance objectives for the Company; and

(g) Evaluating, approving and monitoring the annual budgets and business plans.

Set out below are the corporate governance policies and procedures that have been adopted by the Company. At regular intervals the Board will review the policies and procedures adopted, as it is expected that requirements will change as the Company develops and grows in complexity. The policies in place are described under the headings of eight ASX Principles.

Principle 1 Lay Solid Foundations for Management and Oversight

Role of the Board

The Board has the primary responsibility for guiding and monitoring the business and affairs of the Company, including compliance with the Company's corporate governance objectives.

The Board is responsible for the oversight and performance of the Company, which includes:

(a) Monitoring and approving all financial reports and all other reporting and external communications by the Company;

(b) Evaluation of Board and individual director performance;

(c) Appointing, removing and managing the performance of, and the succession planning for, senior executives of the Company;

(d) Overseeing and ratifying the terms of appointment and, where appropriate, removal, of senior executives, including their remuneration;

(e) Reporting to shareholders on the Company's strategic direction and performance;

(f) Monitoring the Company's performance in relation to best practice principles of corporate governance; and

(g) Approving and monitoring the Company's risk management strategy and internal controls and accountability systems and their effectiveness.

Role of Management

The Board has delegated the day to day management of the Company to management to undertake and work on the following:

(a) Developing business plans, budgets and Company strategies for consideration by the Board and, to the extent approved by the Board, implementing those plans, budgets and strategies;

(b) Operating the business of the Company within the parameters determined by the Board and keeping the Board promptly informed of all developments material to the Company and its business;

(c) Identifying and managing operational risks and formulating strategies for managing those risks for consideration by the Board; and

(d) Managing the Company's financial and other reporting mechanisms and controls and monitoring systems to ensure that they capture all relevant material information on a timely basis and are functioning effectively.

Election of Directors

The Board will undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director and provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Letters of Appointment

Not all directors of the Company have been provided with letters of appointment as suggested in the ASX Guidelines due to the Company being under a deed of company arrangement. Once the deed of company arrangement completes, it is anticipated that directors will be provided with letters of appointment.

When the Company employs executives, such executives will be employed under contracts which outline their duties, rights and responsibilities, and entitlements on termination.

Role of Company Secretary

The company secretary is accountable directly to the board, through the chairman, on all matters to do with the proper functioning of the board.

Given the current status of the Company and, there is no process for periodically evaluating the performance of the board, its committees, individual directors or senior executives. It expected that such a process will be established as the Company grows its operations.

Diversity Policy

The Company acknowledges that it has no official diversity policy at the moment but it complies with all employee and workplace laws in Australia. The Company is committed to establishing a diversity policy when the Company grows its operations.

Principle 2 Structure the Board to Add Value

Board Composition

The Board has three directors at the date of this report, all non-executive.

The names, date of first appointment and status of the Company's directors at the date of this report are set out below:

Name	Date Appointed	Executive	Non-Executive	Independent
Michael Hui	20 July 2015	No	Yes	No
John Knights	20 July 2015	No	Yes	No
Georgina Varley	20 July 2015	No	Yes	No

Director Independence

Directors are expected to bring independent views and judgment to the Board's deliberations. The Board has reviewed the position and associations of each of the three directors in office and has determined that none of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate. At this stage while the Company is restructuring and working to implement the DoCA, the board feels it is appropriate to have no independent directors.

Meetings of the Board

The Board meets formally on a regular basis, as required. The number of Board meetings held can be found in the Directors' Report. The previous board passed most resolutions by circular resolution

Retirement and Re-Election

The constitution of the Company requires one third of the directors to retire from office at each annual general meeting. Directors who have been appointed by the Board are required to retire from office at the next annual general meeting and are not taken into account in determining the number of directors to retire at that annual general meeting. Directors cannot hold office for a period in excess of three years (the latter of the third annual general meeting following their appointment) without submitting themselves for re-election. Retiring directors may be eligible for re-election by shareholders.

Given the size and scope of the Company's current operations, there is no program for the induction of new directors. It is anticipated that upon the growth of the Company's operations such a program will be put in place.

Board Committees & Skills Matrix

There are currently no operational Board Committees or a Skills Matrix. The Company's current size and operations do not allow for separate Board Committees or a Skills Matrix.

Principle 3 Promote Ethical and Responsible Decision-Making

Through its oversight of Company activities, the Board ensures that best practice standards of ethics and integrity in all business dealings and operations are maintained, including the Company's interactions with its shareholders, employees, business partners, customers, suppliers, and the community. Given the size and scope of the Company's current operations, there is no formal code of conduct. It is anticipated that upon the growth of the Company's operations that such a code will be put in place.

Principle 4 Safeguard Integrity in Financial Reporting

Appointment of Auditors

The Company's current external auditors are DFK Richard Hill. The effectiveness, performance and independence of the external auditors are reviewed by the Board. If it becomes necessary to replace the external auditors for performance or independence reasons, the Board will then formalise a procedure and policy for the selection and appointment of new auditors. It is a requirement, given that the Company is listed, that the audit engagement partners be rotated at least every five years. The Company's auditors attend, and are available to answer questions at, the Company's Annual General Meetings.

Director Declaration

Before the Board approves the Company's financial statements for a financial period, its receives from its CEO and CFO (or the person(s) performing such function(s)) a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5 Make Timely and Balanced Disclosure

The Board is in the process of establishing policies on continuous disclosure (including requirements for approval for release of information by the Company), and on shareholder communications, to promote effective communication with its shareholders.

In addition to its disclosure obligations under the ASX Listing Rules, the Company communicates with its shareholders through a number of means including:

(a) Annual and half-yearly reports, including material presented at the Annual General Meeting; and

(b) Media releases, public announcements and investor briefings.

All material disclosed, where feasible, and as authorised by the Board, is posted to the ASX website and can be searched under the announcements using the ticker code RMA.

Principle 6 Respect the Rights of Shareholders

The Company has a positive strategy to communicate with shareholders and actively promote shareholder involvement in the Company. This is outlined above. It aims to increase and improve the information available to shareholders on a new website under production. Consistent with ASX Principle 6 and the Corporations Act 2001, the Company's auditors attend, and are available to answer questions at, the Company's Annual General Meetings. It is exploring means to provide remote access to Company meetings and electronic shareholder communications.

Principle 7 Recognise and Manage Risk

The Company presently has no risk committee, regular review of risk processes and internal audit function given the size and scope of its current operations. It is anticipated that upon growth of the Company's operations, a suitable committee, regular reviews, internal audit function and processes will be put in place.

The Company is committed to the identification, monitoring and management of risks associated with its business activities and is establishing, as part of its management and reporting systems, a number of risk management controls.

The risk profile can be expected to change and procedures will be adapted as the Company's business develops and it grows in size and complexity. Regular review by the Board will ensure that procedures adopted continue to be appropriate.

At present, the Company does not believe it has any material exposure to economic, environmental and social sustainability risks above and beyond those encountered by a similar sized organisation in the Company's market.

Principle 8 Remunerate Fairly and Responsibly

Given the size and scope of the Company's operations it presently has no remuneration committee.

The Company's remuneration policy and details of director and executive remuneration are outlined in the Directors' Report. The guiding principles of this policy are to balance the need to provide industry-competitive remuneration in order to attract and retain high quality personnel, with the objectives of ensuring effective use of shareholder funds.

Where remuneration is offered, non-executive directors are remunerated by director's fees only. No current directors receive remuneration. No schemes for retirement benefits (other than statutory contributions to a superannuation scheme where relevant) or termination payments are in place.

There is presently no equity-based remuneration scheme.

Your directors present their report, together with the financial report of Reeltime Media Limited (Subject to Deed of Company Arrangement) ("the Company") for the year ended 30 June 2012.

Directors

From a search of the ASIC records of the Company the following persons were registered as directors of the Company during or since the end of the financial year up to the date of this report:

Name	Date Appointed	Cease Date
Jason Donald Rooke	9 April 2010	6 November 2014
Gabriel Ehrenfeld	9 April 2010	5 December 2014
Richard Ochojski	9 April 2010	17 April 2015
James Mawhinney	1 August 2014	20 July 2015
Keith Attwood	5 December 2014	20 July 2015
Michael Hui	20 July 2015	N/A
John Knights	20 July 2015	N/A
Georgina Varley	20 July 2015	N/A

Company Secretary

The following persons held the position of company secretary during or since the end of the financial year up to the date of this report:

Name	Date Appointed	Cease Date
Ian Sanderson	25 September 2009	16 September 2014
Sophie Karzis	11 November 2014	16 April 2015
Michael Hui	20 July 2015	18 August 2015
Tom Bloomfield	18 August 2015	N/A

Meetings of Directors

At time of preparing this report the Company has access to the following information about board meeting attendance during the year ended 30 June 2012:

Name	Meetings Held	Meetings Attended
Richard Ochojski	5	5
James Mawhinney	5	5
Keith Attwood	5	5

Prior Year information & Incomplete Records

The management and affairs of the Company (and its controlled entities in year 2008, 2013, 2014 and 2015) have not been under the control of the directors since the Company entered voluntary administration on 21 April 2015.

The financial report has been prepared by the Directors who were not in office at the time the Company and its controlled entities entered voluntary administration or for the full period presented in this report. The Directors who prepared this financial report were appointed on 20 July 2015 as part of a deed of company arrangement process.

As a result, the financial information relating to the 30 June 2012 financial report was not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of a financial report. Further, it has not been possible for the Directors to obtain all of the books and records of the Company for the period up to 30 June 2012. As such we have been unable to satisfy ourselves as to the completeness and accuracy of all the transactions recorded in the Company's accounting records that occurred prior to our appointment as Directors on 20 July 2015.

The Company entered into a Deed of Company Arrangement on 20 July 2015 and has continued to carry on its core business activities since that date with complete and accurate accounting records. The current Directors have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the year ended 30 June 2012, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

In the opinion of the current Directors of the Company, except for the effects of such adjustments, if any, that might have been determined to be necessary had we been able to verify all of the transactions which took place during the reporting period and prior to the date of our appointment the Financial Statements comprising the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes to the Financial Statements are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the entity's financial position as at 30 June 2012 and of its performance for the year ended on that date.

Principal Activities

The principal activity during the 2012 financial year was working towards facilitating a recapitalisation of the company.

Significant Changes to Activities

There were no significant changes in operations in the 2012 financial year.

Review of Operations

In the 2012 year the board worked towards the Company recapitalisation including trying to make the IPTV business successful. At this time no capital was raised so no funds were expended on the IPTV business venture.

Events after the Reporting Period

In the 2013 financial year, Gabriel Ehrenfeld, a director of the Company, exercised 40,000,000 options in return for $800,000 in outstanding Directors fees. The Company also began acquisitions of internet and computer based businesses. These acquisitions had an emphasis on digital media design businesses that used the internet to help businesses win new and keep existing customers via internet marketing.

The Company set up a wholly owned subsidiary, Tohill Pty Ltd, that purchased 100% of Hillier Pty Ltd from Mr James Mawhinney. Hillier Pty Ltd owned the Position me Online business. Mr

Mawhinney subsequently became the CEO of the Company. The shares for the Hillier acquisition were not issued until the 2014 financial year. Level 91 Pty Ltd was also acquired and the deal completed in the 2013 financial year.

In the 2014 financial year, the Company continued to announce acquisitions and completed some further acquisitions. In April 2014, the CEO of the Company, Mr James Mawhinney, was removed as CEO. After this time, rent was not paid on the operating business address and the Company was locked out of its premises. The landlord subsequently discarded many of the Group's records. It also appears registration and subscriptions for internet based accounting software packages were not paid and so many accounting records were also lost.

In May 2014, Reeltime acquired the Design Experts business. This is the sole business of Reeltime that is still operating at the date of this financial report.

On 1 August 2014, Mr James Mawhinney was reappointed as CEO and was also appointed as a Director of the Company. Work towards acquisition of more businesses and a capital raising to remove the Company's suspension of trading on the ASX continued.

Mr Gabriel Ehrenfeld resigned as a director on 5 December 2014. Mr Keith Attwood was appointed a director on 5 December 2014.

On 15 April 2015, the Australian Securities and Investments Commission ("ASIC") applied to the Supreme Court of New South Wales to wind up:

(a) the Company;
(b) DE Digital Pty Ltd;
(c) DE Personnel Pty Ltd;
(d) Ocean Feather Pty Ltd;
(e) Paricia Pty Ltd; and
(f) Zaramamma Pty Ltd,

on just and equitable grounds.

On 21 April 2015, the following entities were placed into Voluntary Administration pursuant to a resolution of the directors and/or directors of the relevant companies:

(a) the Company;
(b) DE Digital Pty Ltd;
(c) DE Personnel Pty Ltd;
(d) Ocean Feather Pty Ltd;
(e) Paricia Pty Ltd;
(f) Zaramamma Pty Ltd; and
(g) Digital Facilities Management Pty Ltd.

On 4 May 2015, the Court ordered that ASIC's application be adjourned until 27 July 2015 for the purposes of a further directions hearing.

On 30 June 2015, the creditors of the Company and DE Digital Pty Ltd resolved that those companies execute a deed of company arrangement. The creditors of the remaining entities resolved to place those entities not subject to the deed of company arrangement into liquidation.

The current Directors were appointed on 20 July 2015 and have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the year ended 30 June 2015, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

As at 30 June 2015, the status of the Group's entities are as follows:

(a) Reeltime Media Limited (Subject to Deed of Company Arrangement);

(b) DE Digital Pty Ltd (Subject to Deed of Company Arrangement);

(c) DE Personnel Pty Ltd (In Liquidation);

(d) Ocean Feather Pty Ltd (In Liquidation);

(e) Paricia Pty Ltd (In Liquidation);

(f) Zaramamma Pty Ltd (In Liquidation); and

(g) Digital Facilities Management Pty Ltd (In Liquidation).

The Entity's operations have been adversely affected by the placing of its entities into external administration. The Entity's sole operations are now the ownership and operating of the "Design Experts" business (a digital media marketing business) by its subsidiary, DE Digital Pty Ltd.

On 20 July 2015, a deed of company arrangement was entered into between the Administrators, the Company, DE Digital Pty Ltd and Arowana Partners Group Pty Ltd ("Arowana") ("the DoCA").

The DoCA provides for the following:

(a) the Administrators to be appointed as deed administrators of the DoCA;

(b) the payment of $625,000 by Arowana into a deed fund to be made available to all creditors of the Company and DE Digital Pty Ltd;

(c) the establishment of a creditors trust (with the Administrators appointed as trustees of the trust) to receive and distribute the deed fund to the creditors of the Company and DE Digital Pty Ltd;

(d) at a meeting of the shareholders of the Company to be held within 3 months from the date of execution of the DoCA (or such other date within 45 business days of such date as agreed by the parties), the shareholders must approve the necessary resolutions to give effect to:

    (i) a consolidation of shares on issue on a 1:17 basis;

    (ii) the issue of 300 million ordinary shares to raise $1.5 million as follows:

        (A) 100 million shares at $0.001 per share;

        (B) 100 million shares at $0.005 per share;

        (C) 50 million shares at $0.008 per share; and

        (D) 50 million shares at $0.010 per share;

    (iii) the issue of 50 million options at $0.010 per option to raise $500,000.

As part of the DoCA process, the Company is undertaking those steps necessary to apply for the resumption of trading in its securities on the official list prior to 1 January 2016.

On 27 July 2015, ASIC's application against the Company and DE Digital Pty Ltd was adjourned to 26 October 2015. The proceedings against the remaining Group entities were discontinued as they entered liquidation on 30 June 2015.

ASX Listing Rule Compliance & Removal from Official List

On 1 January 2014, the Australian Securities Exchange ("ASX") adopted a policy that it is appropriate to remove from the official list any entity whose securities have been suspended from trading for a continuous period of 3 years. Under the transitional arrangements for this policy, the Company's securities will be removed from the official list if it remains in a continuous state of suspension on 1 January 2016.

Operating Results

The net loss after tax of the Company for the year ended 30 June 2012 was $325,000 (net loss for 2011: $325,000).

Environmental Regulation

The Entity is not subject to significant environmental regulation, other than the general environmental regulations operational in Australia.

Dividends Paid or Recommended

The Directors of the Company recommend that no dividend be paid in respect of the year ended 30 June 2012.

Indemnifying Officers or Auditor

The Company has agreed to indemnify all directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has not during or since the year ended 30 June 2012, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Insurance of officers

No Directors and Officers insurance policy was in place during the year ended 30 June 2012.

Subsequent to the year ended 30 June 2012, the Company obtained Directors and Officers insurance.

Non-audit Services

The Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. No non-audit services were provided by the auditor during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and a copy is contained within the Annual Report.

Options

No Options were granted during the financial year. The details of the options outstanding are in Note 8(e) to the Financial Statements of the Company accompanying this Directors report.

REMUNERATION REPORT

The remuneration report below reflects the remuneration policies that were adopted by the directors of the Company who were in office at the date of this report. These policies apply since the date of their appointment on 20 July 2015

Prior to their appointment, the remuneration policies were the responsibility of the previous directors who were in office prior to the Company entering voluntary administration on 21 April 2015. On entering administration, the Administrators were responsible for the remuneration policies of the Company. These policies may or may not have been in place during the financial period.

Thus, the directors had no involvement in the adopting, implementing, or complying with the previous remuneration policies.

The remuneration report is set out under the following main headings:

A Principles Used to Determine the Nature and Amount of Remuneration

B Details of Remuneration

C Share-Based Compensation

D Additional Information

A. Principles Used to Determine the Nature and Amount of Remuneration

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors.

Non-Executive Directors' fees and payments are reviewed annually by the Board and minuted in the relevant board meeting minutes.

Executives including Executive Directors

The executive and executive directors' pay and reward framework has two components:

(a) Base pay and benefits (fixed);

(b) Short-term performance incentives (variable; paid as a cash bonus).

The combination of these comprises the total remuneration.

Base Pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed benefits including superannuation. Base pay for executive directors is determined and reviewed by the Board of Directors.

Retirement Allowances for Directors

There are no retirement allowances for directors, other than payment of statutory superannuation for the executive director.

B. Details of Remuneration

Amounts of Remuneration

Details of remuneration of the directors and the key management personnel of the Entity for the financial year ended 30 June 2012 is set out in the following table:

	Short term benefits			Post Employment Benefits		Total
Name	Cash Salary & Fees	Cash Bonuses	Non-Monetary Benefits	Superannuation	Share options	
Gabriel Ehrenfeld	300,000	n/a	n/a	n/a	n/a	300,000
Richard Ochojski	n/a	n/a	n/a	n/a	n/a	n/a
Jason Donald Rooke	n/a	n/a	n/a	n/a	n/a	n/a

	Cash Salary & Fees	Cash Bonuses	Non-Monetary Benefits	Superannuation	Share options	Total
Key Management Personnel						
Ian Sanderson	n/a	n/a	n/a	n/a	n/a	n/a

The Company has been in Administration in 2015. In 2014 the Company was locked out of its operating offices for non payment of rent and many records were destroyed at that time. The current directors are unable to ascertain from the records currently available how much was paid to the directors and key management personnel in 2012.

The Company had an agreement to pay Mr Gabriel Ehrenfeld $25,000 per month ($300,000 per annum) as director's fees. The Company has not had the funds to make this payment. The amount has been expensed in the accounts of the company and accrued as a debt payable to Mr Ehrenfeld.

C. Share Based Compensation

The Company did not have a share option plan and no share options were issued to directors during the year.

D. Additional Information

The overall level of executive reward will take into account the performance of the Entity over a number of years, with greater emphasis given to the most recent year.

E. Loans to Key Management Personnel

There are no loans provided to directors or executives.

F. Prior Year Information

At time of preparing this report the detail of payments to Directors and Key Management personnel for the full year 1 July 2011 to 30 June 2012 was not available for analysis.

Signed in accordance with a resolution of the directors.

Michael Hui
Non-Executive Chairman
19 October 2015

dfk richard hill
LEADING ACCOUNTANTS AND BUSINESS ADVISERS

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF REELTIME MEDIA LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been no contraventions of:

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

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

John Skinner

Date: 19 October 2015

Address: Level 2, 32 Martin Place Sydney 2000

REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
Revenue		**-**	**-**
Expenses			
ASX & Share Registry fees		(25,000)	(25,000)
Directors Fees		(300,000)	(300,000)
Other Expenses		-	-
Total Expenses		**(325,000)**	**(325,000)**
Profit/(Loss) before income tax		**(325,000)**	**(325,000)**
Income tax expense	**4**	-	-
Profit/(Loss) for the year		**(325,000)**	**(325,000)**
Other Comprehensive Income / (Losses)		-	-
Profit/(Loss) attributable to members of Reeltime Media Ltd		**(325,000)**	**(325,000)**
Basic earnings/(loss) per share (cents)	**7**	(0.075)	(0.075)
Diluted earnings/(loss per share (cents)	**7**	(0.075)	(0.075)

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Notes	2012	2011
Balance Sheet			
Current Assets			
Cash and Cash equivalents	**8**	161	161
Total Current Assets		**161**	**161**
Non Current Assets			
Total Non Current Assets		**-**	**-**
Total Assets		**161**	**161**
Liabilities			
Current Liabilities		**-**	-
Total Current Liabilities		**-**	**-**
Non Current Liabilities			
Related party borrowings	**5**	750,000	425,000
Total Non Current Liabilities		**750,000**	**425,000**
Total Liabilities		**750,000**	**425,000**
Net Assets		**(749,839)**	**(424,839)**
Equity			
Contributed equity	**12**	24,724,370	24,724,370
Reserves - Share Option		636,785	636,785
Accumulated profits / (Losses)		(26,110,992)	(25,785,992)
Total Equity		**(749,839)**	**(424,839)**

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Share	Retained	Reserves		
	Capital Ordinary	**Profits / (Losses)**	**Share Option**	**Convertible Note**	**Total**
Balance as at 1 July 2010	**24,724,370**	**(25,460,992)**	**636,785**	**(0)**	**(99,839)**
Profit /(Loss) for the period		(325,000)			(325,000)
Balance as at 30 June 2011	**24,724,370**	**(25,785,992)**	**636,785**	**(0)**	**(424,839)**
Balance as at 1 July 2011	**24,724,370**	**(25,785,992)**	**636,785**	**(0)**	**(424,839)**
Profit /(Loss) for the period		(325,000)			(325,000)
Balance as at 30 June 2012	**24,724,370**	**(26,110,992)**	**636,785**	**(0)**	**(749,839)**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
Cash flows from operating activities		
Receipts from customers (inc of GST)	-	-
Payments to Suppliers and employees (inc GST)	-	-
Interest received	-	-
Net cash (outflow) from operating activities	**-**	**-**
Cash flows from investing activities		
Purchase of property plant and equipment	-	-
Purchase of other assets		
Loans to other entities		
Net cash (outflow) from investing activities	**-**	**-**
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	-
Proceeds from issue of convertible notes		
Payment of share issue costs	-	-
Repayment of finance lease		
Net cash inflow from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents	**-**	**-**
Cash and cash equivalents at the beginning of the year	161	161
Cash and Cash equivalents at the end of the year	**161**	**161**

The accompanying notes form part of these financial statements

Reeltime Media Ltd is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX"). During the financial year ended 30 June 2012, the shares were suspended from trading on the ASX.

These financial statements and notes represent those of Reeltime Media Ltd for this current financial period. It was referred to as "the Group" or "Reeltime Group" for later periods when the Company had its Controlled Entities.

The financial statements were authorised for issue on 19 October 2015 in accordance with a resolution of the Directors.

The nature of operations and principal activities of the Company are described in the Operating and Financial Review Report which should be read in conjunction with the Directors' Report.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Note 1 Summary of Significant Account Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Boards and with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, except for financial assets that have been classified as at fair value through profit and loss, which are measured at fair value.

Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1.

Going Concern

The financial report has been prepared on the going concern basis and the Company contemplates continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

As at 30 June 2015 the Company is in Administration. The Australian Securities and Investments Commission (ASIC) has applied to have Reeltime Media Ltd wound up as a result of investigations by ASIC officers of alleged breaches of the Corporations Act by the Companies in the Group and its previous officers.

The Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2012 shows a loss after income tax $325,000. The Balance sheet at 30 June 2012 shows net negative assets of $749,839.

Without additional fund raising and achievement of positive cash flow from operations, there is material uncertainty as to whether the Company will be able to continue as a going concern.

If the Company is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities, and may be unable to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual inventory items on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers ("CODM"). The CODM are responsible for the allocation of relevant income, expenses, assets and liabilities to operating segments and assessing their performance.

Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Plant and Equipment

Plant and equipment is stated at historical cost and is depreciated over its useful life using the straight line method. Historical cost includes expenditure directly attributable to the acquisition of the items. The expected useful life for asset classes is as follows:

- Plant and office equipment – between 5 and 10 years.
- Motor vehicles – between 5 and 10 years.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than it estimated recoverable amount (Note 1).

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount, and are included in profit or loss.

Non-current assets held for sale and discontinued operations

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

Non-current assets and liabilities classified as held for sale and the assets and liabilities of a group classified as held for sale are presented separately in the balance sheet.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Company are classified as finance leases.

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

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

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

Financial Instruments

Financial assets at fair value through profit or loss

(i) An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Assets in this category are classified as current assets.

(ii) Financial assets at fair value through profit or loss are carried at their fair value. Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet. Subsequent to initial recognition at fair value plus any directly attributable transaction costs, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Foreign Currency Transactions and Balances

(i) Functional and presentation currency

The functional currency of each of the Company is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is Reeltime Media Ltd's functional currency

(ii) Transaction and balances

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

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

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

(iii) Foreign Operations

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

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates at the dates of the transactions); and
- retained earnings are translated at the exchange rates prevailing at the dates of the transactions.

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

Employee Benefit

(i) Short-term employee benefits

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

(ii) Long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

(iii) Retirement benefit obligations

The Company contributes the required statutory superannuation or pension rate on behalf of employees to licensed superannuation or pension funds. The Company's legal or constructive obligation is limited to these contributions.

Contributions to a defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Profit Sharing and Bonus Plans

The Company recognises a liability and an expense for bonuses as they arise. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from the sale of goods is recognised upon the delivery of goods to customers as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised as it accrues, using the effective interest method.

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

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement between 30 and 90 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in profit or loss with other expenses.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the relevant Taxation Office. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST or VAT as appropriate.

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

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. During the Financial year 2015 the Company was locked out of its operating office due to non-payment of rent. As a result the landlord threw out many detailed records of the Company. At the time of preparing this report the detail of some of the financial transactions of the Company for the full year 1 July 2011 to 30 June 2012 are not available for analysis.

Accounting and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Provision for Impairment of Receivables

The Company undertakes a detailed analysis of trade receivables on a monthly basis and writes off those debtors which it considers not recoverable and makes an impairment provision for those where recovery is considered doubtful.

(ii) Income Tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

For the year ended 30 June 2012 the Company did not recognise deferred tax assets on temporary differences or on tax losses.

New Accounting Standards for Application in Future Periods

A number of new accounting standards, amendments to standards and interpretations have been issued prior to 30 June 2012 that are effective for future financial periods. They are available for early adoption at 30 June 2012, but have not been applied in preparing the financial report.

These standards are not expected to have a material impact on future financial reports of the Company.

Note 2 Contractual commitments

The parent entity does not have any capital commitments or contingences as at 30 June 2012.

Note 3 Revenue

There was no revenue for financial years 2011 and 2012.

Note 4 Income Tax expense

(a) Unrecognised deferred tax assets related to tax losses

The Company had a loss of $325,000. The Company has unrecognised tax losses in Australia of approximately $26.1 million (2011: $25.7 million). The benefit at 30% of approximately $7.83 million (2011: $7.72 million) associated with the tax losses will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised in Australia;
- The Company continues to comply with the conditions for deductibility imposed by the Australian income tax law; and
- No changes in tax legislation adversely affect the Entity in realising the benefit from the deductions for the losses.

	2012 $	2011 $
(b) Income tax expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Net Profit / (Loss) for the year	**(325,000)**	**(325,000)**
Prima facie tax payable / (benefit) on profit from ordinary activities before income tax at 30% (2011: 30%)	(97,500)	(97,500)
Adjustments for:		
non-deductible items		
temporary differences		
tax losses carried forward		
tax losses not recognised - Australia	97,500	97,500
Income tax expense / benefit	**-**	**-**

Note 5 Key Management Personnel

(a) Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Entity's key management personnel ("KMP") for the year ended 30 June 2012.

(b) Shareholdings

Shares were held directly and indirectly by a director in office at the balance date of 30 June 2012, Mr Gabriel Ehrenfeld.

Name of Holder	Nature of Interest	Number and Class of Securities
Gabriel Ehrenfeld	Directoe	100,000 Fully paid ordinary Shares
Ekkeko Investments Pty Ltd <RMA Investment A/c>	Director of Trustee	260,000,000 Fully paid ordinary Shares
Steinbruck Capital Pty Ltd	Director and Shareholder	120,000,000 Fully paid ordinary Shares
Fundametal Capital Pty Ltd	Director and Shareholder	5,000,000 Fully paid ordinary Shares
Ekkeko Investments Pty Ltd <RMA Investment A/c>	Director of Trustee	24,000,000 B Class Options
Steinbruck Capital Pty Ltd	Director and Shareholder	16,000,000 B Class Options

(c) Loans to Key Management Personnel

There were no loans made to directors of Reeltime Media Ltd or other key management personnel of the Entity, including their personally related parties, during the years ended 30 June 2012 and 30 June 2011.

(d) Money owing to Key Management Personnel

Mr Gabriel Ehrenfeld has an agreement to be paid $25,000 per month by the Company. As the Company has not had the funds to pay this amount it has been accrued as a debt. Mr Ehrenfeld or his related entities provided the Company with funds to pay its listing and registry fees.

	2012	2011
	$	$
Related Party borrowing	750,000	425,000

Note 6 Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Company, Its related practices and non-related firms:

	2012 $	2011 $
(a) Audit Fees		
Auditing or reviewing the financial statements	-	-
(audit fees for John Skinner will be recognised in the 2016 financial year)		
(b) Non – audit services		
Auditing or reviewing the financial statements	-	-
Total Auditors' Remuneration	**-**	**-**

Note 7 Earnings per share

	2012 $	2011 $
(a) Earnings used in calculating earnings per share		
Profits attributable to the ordinary equity holders of the Company used in calculating earnings per share	(325,000)	(325,000)

	2012 Number of Shares	2011 Number of Shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	433,366,392	433,366,392
(c) Basic and diluted earnings per share (cents)	(0.075)	(0.075)

Note 8 Cash and Cash Equivalents

	2012 $	2011 $
Cash at bank and on hand	161	161

The Entity's exposure to interest rate risk and foreign currency risk is discussed in Note 18.

Note 9 Associates and Joint Arrangements

Nil

Note 10 Other Financial Assets

No other financial assets other than cash and receivables were held in either 2012 or 2011

Note 11 Interests in Subsidiaries

Nil

Note 12 Issued Capital

	2012	2011
(a) Paid up Capital		
Ordinary Shares Fully Paid	24,724,370	24,724,370
(b) Shares Issued		
Fully paid ordinary shares	433,366,392	433,366,392

(c) Movements in issued and Paid up Capital during the year

There were no movements in issued and paid up capital during the 2012 financial year.

(d) Convertible Notes

The Company did not issue any convertible notes during 2012.

(e) Options

The Company did not issue any Options during 2012. The options on issue at 30 June 2012 are listed below:

	Expiry date / Duration	Number	In Escrow	Exercise Price	Total Cost $	Expensed amount until 30 June 2012
Unlisted Options Granted on 25 September 2009	31/12/2012	40,000,000	None	0.02	1,000	1,000

Note 13 Capital and Leasing commitment

The Company does not have any long term capital or finance leasing commitments.

Note 14 Operating Segments

The Company had one operating segment being internet streaming via broadband of movies and TV shows operating in Australia. However the Company did not operate in the reporting period.

Note 15 Cash Flow Information

	2012	2011
Reconciliation of Cash Flow from Operations with profit after tax		
Profit / (Loss) after Income tax	(325,000)	(325,000)
Depreciation of Property plant and Equipment		
Amortization of intangible assets		
Expensing share options		
(Increase) / Decrease in trade and term receivable		
Increase / (Decrease) in trade payables		
Increase / (Decrease) in accruals		
Movements in other assets and liabilities	325,000	325,000
Cash in (out) Flow From Operations		

Note 16 Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period other than those described in the Directors Report accompanying these Financial Statements.

Note 17 Related Party Transactions

Related Parties

The Entity's main related parties are Key Management Personnel.

For details of key management personnel, refer to the Remuneration Report.

Note 18 Financial Risk management

The totals for each category of financial instruments are as follows:

	Note	2012	2011
Financial Assets			
Cash And Cash Equivalent		161	161
Financial Assets at Fair Value through Profit and Loss			
Held for Trading		-	-
Loans and other receivables		-	-
Total Financial Assets		**161**	**161**
Financial Liabilities			
Trade and other payables		-	-
Lease liabilities		-	-
Borrowings		750,000	425,000
		750,000	**425,000**

Financial Risk Management Policies

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

(a) Credit risk

Credit risk is managed on a Company basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

Reeltime has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Reeltime has policies that limit the amount of credit exposure to any one Company. The compliance with credit limits by customers is regularly monitored by line management.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The average credit period on sale of goods and rendering services is 60 days. No interest is charged on overdue debtors. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods determined by reference to past default experience.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial asset and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

Financing arrangements

The Company does not have access to any undrawn borrowing facilities at the reporting date.

(c) Market Risk

(i) Interest rate risk

The Company is exposed to interest rate risk in relation to its cash holdings.

(ii) Foreign exchange risk

The Company is not exposed to foreign currency as it has no offshore customers or suppliers.

(iii) Other price risk

The Company is not exposed to price risk.

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
DIRECTORS' DECLARATION

The Directors of the Company declare that:

We have been unable to satisfy ourselves as to the completeness and accuracy of all the transactions recorded in the Company's accounting records that occurred prior to our appointment as Directors on 20 July 2015.

The Company entered into a Deed of Company Arrangement on 20 July 2015 and has continued to carry on its core business activities since that date with complete and accurate accounting records. The current Directors have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the year ended 30 June 2012, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

In the opinion of the current Directors of the Company, except for the effects of such adjustments, if any, that might have been determined to be necessary had we been able to verify all of the transactions which took place during the reporting period and prior to the date of our appointment:

1. the Financial Statements comprising the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes to the Financial Statements are in accordance with the Corporations Act 2001 and:
    (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    (b) give a true and fair view of the entity's financial position as at 30 June 2012 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. Subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Directors have been given the declarations by the person performing the Chief Executive Officer and Chief Financial Officer functions required by section 295A of the Corporations Act 2001 which are required to state whether:
    (a) The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act*;
    (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
    (c) the financial statements and notes for the financial year give a true and fair view.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Michael Hui
Non-Executive Chairman
19 October 2015

Partners:
Richard L S Hill
BCom FCA FCPA (PNG)
David G Sharp
BCom FCA

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REELTIME MEDIA LIMITED ABN 67 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Financial Report

I have audited the accompanying financial report of Reeltime Media Limited which comprises the statement of financial position as at 30 June 2012, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the entity comprising the company at the year's end or from time to time during the financial year.

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 internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Reeltime Media Limited would be in the same terms if provided to the directors as at the time of this auditor's report.

Basis for Disclaimer of Audit Opinion

1. The Company, together with 5 subsidiary companies which were acquired/set up in the later years, were placed in administration on 21 April 2015. A further 4 subsidiary companies were placed in liquidation on 31 December 2014. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, I was unable to satisfy myselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

2. As stated in the Director's Report, the Company was locked out of its premises by the landlord which has caused loss of records.

Basis for Disclaimer of Audit Opinion (continued)

3. The comparative figures relating to year end 30 June 2012 are subject to an Audit qualification relating to comparative figures.

As a result of the above factors, the current Directors are unable to state that the financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

Disclaimer of Auditor's Opinion

In my opinion:

Because of the existence of the limitation on the scope of my work, as described in the Basis for Disclaimer of Auditor's Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, I am unable to, and do not express, an opinion as to whether the financial report of Reeltime Media Limited is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the Company's financial position as at 30 June 2012 and of their performance for the year ended on that date;
ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
iii) Complying with all the requirements of the International Financial Reporting Standards.

Report on the Remuneration Report

I have audited the remuneration report included the report of the directors for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporation Act 2001*. My responsibility is to express an opinion on the remuneration report, based on my audit conducted in accordance with Australian Auditing Standards.

Basis for Disclaimer of opinion

Because of the existence of the limitation on scope of my work, as described in the Basis of Disclaimer of Auditor's opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, I am unable to, and do not express, an opinion on the remuneration report of Reeltime Media Limited for the year ended 30 June 2012 and whether it complies with Section 300A of the Corporation Act 2001.

John Skinner

Address: Level 2, 32 Martin Place Sydney 2000

Dated this 19 day of October 2015