

**REELTIME MEDIA LTD ACN 085 462 362  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND CONTROLLED ENTITIES**

Restated Annual Report for the Year Ended  
30 June 2015

REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES

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**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
CORPORATE GOVERNANCE STATEMENT**

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

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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 is 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:

<b>Name</b>	<b>Date Appointed</b>	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent</b>
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.

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**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 DKF 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.

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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.

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DIRECTORS' REPORT**

Your directors present their restated report, together with the restated consolidated financial report of the Reeltime Media Limited (Subject to Deed of Company Arrangement) ("the Company") and its controlled entities (collectively, "the Group") for the year ended 30 June 2015.

**Directors**

The following persons were 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 2015:

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 have not been under the control of the directors of the Group since they 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.

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As a result, the financial information relating to the 30 June 2015 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 and its controlled entities for the period up to 30 June 2015. 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 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.

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 Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated 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 consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date.

**Principal Activities**

The principal activities of the Company and its controlled entities during the financial year were the provision of group ownership, strategy and oversight over a number of digital media marketing and design businesses.

**Significant Changes to Activities**

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;



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- (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.

### **Review of Operations**

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 Group's operations have been adversely affected by the placing of its entities into external administration. The Group'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.

### **Events after the Reporting Period**

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;

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- (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 Group for the year ended 30 June 2015 was \$715,360 (net loss for 2014: \$232,463). The Group's results were affected by the proceedings commenced by ASIC and the subsequent entering into voluntary administration of the Group's entities.

**Environmental Regulation**

The Group 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 2015.

**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 2015, 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 2015. Subsequent to the year ended 30 June 2015, the Company obtained Directors and Officers insurance.

**Non-audit Services**

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group 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 2015 has been received and a copy is on page 13 of the Annual Report.

**Options**

No options were granted during the year ended 30 June 2015. There were no outstanding options as at 30 June 2015.

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DIRECTORS' REPORT**

**Remuneration Report**

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 Group for the financial year ended 30 June 2015 is set out in the following table:

Name	Short term benefits			Post-Employment Benefits		Total
	Cash Salary & Fees	Cash Bonuses	Non-Monetary Benefits	Superannuation	Share options	
Gabriel Ehrenfield	219,549					219,549
Richard Ochojski						
James Mawhinney	267,354					267,354
Keith Attwood						
Jason Rooke	486,903	0	0	0	0	486,903
	Cash Salary & Fees	Cash Bonuses	Non-Monetary Benefits	Superannuation	Share options	Total
Key Management Personnel						
Sophie Karzis	2200					2,200

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**C. Share Based Compensation**

At present the Company does not have a share option plan and no share options have been issued to directors during the year.

**D. Additional Information**

The overall level of executive reward will take into account the performance of the Group 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 2013 to 30 June 2014 was not available for analysis.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'MH', followed by a long horizontal line and a period.

Michael Hui  
Non-Executive Chairman  
4 November 2015

Partners:

**Richard L S Hill**  
BCom FCA FCPA (PNG)

**David G Sharp**  
BCom FCA

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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) AND  
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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 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: 4 November 2015

Address: Level 2,32 Martin Place Sydney 2000

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RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Restated * 2015	Restated 2014
<b>Revenue from Continuing Operations</b>			
Sales and Other Revenue	3	2,865,083	5,673,737
Less Cost of Sales		(361,202)	(1,173,845)
<b>Gross Profit</b>		<b>2,503,881</b>	<b>4,499,892</b>
<b>Expenses</b>			
Depreciation and amortisation		(37,897)	-
ASX & share registry fees		-	(25,000)
Employee Benefits Expense		(1,858,822)	(3,354,045)
Directors fees		(486,903)	(582,919)
Foreign exchange loss/(gain)		(240)	-
Professional and consulting fees		(702,492)	(336,120)
Provision for write-down of i/co loans		-	(429,333)
Impairment of assets		-	(15,030)
Finance Expenses		(29,401)	(32,274)
Interest Expenses		(42,754)	-
Rental expense		(106,418)	-
Travel expenses		(22,023)	-
Marketing Expenses		(118,326)	(241,251)
Office Expenses		(70,812)	-
Other expenses		(966,370)	(1,032,655)
<b>Total Expenses</b>		<b>(4,442,457)</b>	<b>(6,048,637)</b>
<b>Profit / (Loss) from continuing operations before tax</b>		<b>(1,938,577)</b>	<b>(1,548,745)</b>
Income tax benefit	4	-	-
<b>Net Profit / (Loss) for the Period</b>		<b>(1,938,577)</b>	<b>(1,548,745)</b>
Other Comprehensive Income			
Gain on Acquisitions		-	1,316,282
Net Gain on Disposal of Operations	25	1,223,217	-
<b>Total Comprehensive profit / (loss) for the year</b>		<b>(715,360)</b>	<b>(232,463)</b>
<b>Basic earnings/(losses) per share (cents)</b>	7	<b>(0.11)</b>	<b>(0.04)</b>
<b>Diluted earnings/(losses) per share (cents)</b>	7	<b>(0.12)</b>	<b>(0.04)</b>

\* The difference between the previously issued 2015 financial statements and these Restated 2015 Financial Statements are outlined in Note 26 to the accounts.

The accompanying notes form part of these financial statements

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RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

	Note	Restated * 2015	2014
<b>Current Assets</b>			
Cash and Cash Equivalents	9	8,185	(31,534)
Trade & Other Receivables	10	8,816	1,405,177
BAS Receivables	10	3,089	-
Prepayments		-	1,455
<b>Total Current Assets</b>		<b>20,090</b>	<b>1,375,097</b>
<b>Non-Current Assets</b>			
Total Fixed Assets	15	72,349	383,112
Other Non-Current Receivables	10	-	-
Identified Intangibles	16	900,000	2,480,838
Bond of Rent	10	7,000	34,315
Formation Cost		-	1895
Stock	11	-	975
<b>Total Non-Current Assets</b>		<b>979,349</b>	<b>2,901,134</b>
<b>Total Assets</b>		<b>999,439</b>	<b>4,276,230</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade Creditors & Other Payables	16	-	2,572,216
Credit Cards / Overdraft	16	-	-
BAS & Tax Liabilities	16	-	-
Employee Liabilities Payable	16	1,074	-
Other Liabilities	16	-	-
<b>Total Current Liabilities</b>		<b>1,074</b>	<b>2,572,216</b>
<b>Non-Current Liabilities</b>			
Related Party Borrowings	19	-	687,512
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>687,512</b>
<b>Total Liabilities</b>		<b>1,074</b>	<b>3,259,728</b>
<b>Net Assets</b>		<b>998,365</b>	<b>1,016,502</b>
<b>Contributed Equity</b>			
Issued Share Capital	17	26,375,857	25,678,633
Reserves – Share Option	27		636,785
Accumulated Losses		(25,377,492)	(24,823,038)
<b>Total Equity</b>		<b>998,365</b>	<b>1,016,502</b>

\* The difference between the previously issued 2015 financial statements and these Restated 2015 Financial Statements are outlined in Note 26 to the accounts.

The accompanying notes form part of these financial statements

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
RESTATEd CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE  
2015**

	Share Capital	Retained Profits/ Accumulated Losses	Option Reserve	Total
<b>Consolidated Group Balance as 1 July 2013</b>	<b>25,253,208</b>	<b>(25,066,453)</b>	<b>636,785</b>	<b>1,100,539</b>
Profit / (loss) for the year	-	(232,463)	-	(232,463)
Shares Issued	148,425	-	-	148,425
<b>Balance at 30 June 2014</b>	<b>25,678,633</b>	<b>(25,298,916)</b>	<b>636,785</b>	<b>1,016,502</b>
	Share Capital	Retained Profits/ Accumulated Losses	Option Reserve	Total
<b>Balance at 1 July 2014</b>	<b>25,678,633</b>	<b>(25,298,916)</b>	<b>636,785</b>	<b>1,016,502</b>
Transfer to Retained Earnings	-	636,785	(636,785)	-
Profit / (loss) for the year	-	(1,938,577)	-	(1,938,577)
Other comprehensive income / (loss) for the year	-	1,223,216	-	1,223,216
Shares Issues	697,224	-	-	697,224
<b>Balance as at 30 June 2015</b>	<b>26,375,857</b>	<b>(25,377,492)</b>	<b>-</b>	<b>998,365</b>

The accompanying notes form part of these financial statements



**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Restated 2015	2014
<b>Cash flows from operating activities</b>			
Receipts from customers		2,525,468	4,033,678
Interest received / (paid)		114	1,595
Payments to suppliers and employees		(2,825,363)	(4,170,152)
<b>Net cash provided by operating activities</b>	<b>21</b>	<b>(299,781)</b>	<b>134,878</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	-
Purchase of intangible assets		-	-
Payment for other investments		-	-
Purchase of property, plant and equipment		-	-
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		360,000	-
Costs of Share Issue		(20,500)	-
Loans from related parties		-	-
Payments made		-	-
Proceeds from borrowings		-	-
<b>Net cash provided by (used in) financing activities</b>		<b>339,500</b>	<b>-</b>
Net increase / (decrease) in cash held		39,719	(134,878)
Cash and cash equivalents at beginning of financial year		(31,534)	103,344
Effect of exchange rates on cash holdings in foreign currencies		-	-
<b>Cash and cash equivalents at end of financial year</b>	<b>8</b>	<b>8,185</b>	<b>(31,534)</b>

The accompanying notes form part of these financial statements

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Reeltime Media Ltd (the parent) 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 2015, the shares were suspended from trading on the ASX.

These consolidated financial statements and notes represent those of Reeltime Media Ltd and its Controlled Entities ("the Group" or "Reeltime Group").

The financial statements were authorised for issue on 4 November 2015 in accordance with a resolution of the Directors.

The nature of operations and principal activities of the Reeltime Group 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 Group 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 Reeltime Group'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(x).

### **Going Concern**

The financial report has been prepared on the going concern basis and the Group 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 Group 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 2015 shows a loss after income tax from continuing operations of \$1,938,577 (total comprehensive loss of \$715,360). The Balance sheet shows net assets of only \$998,367.

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

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

If the consolidated entity 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.

**Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the Company (the parent) and all of its subsidiaries. Subsidiaries are entities that the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

The assets, liabilities and results of all subsidiaries are consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity with the accounting policies adopted by the Group.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

**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.

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**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 Group 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 its 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 entities in the consolidated group are classified as finance leases.

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

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**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 Group 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.

**Impairment of Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

**Investments in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Reeltime Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long term receivables, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Reeltime Group

**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 Reeltime Group 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 Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is 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 Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the 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.

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Employee Benefit**

(i) Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting 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 Group contributes the required statutory superannuation or pension rate on behalf of employees to licensed superannuation or pension funds. The Group'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 Group recognises a liability and an expense for bonuses as they arise. The Reeltime Group 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 Reeltime Group 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,

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

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 Reeltime Group 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 Reeltime Group 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. There are no outstanding convertible notes or share options as at 30 June 2015.

**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 Group were locked out of their operating office due to non-payment of rent. As a result the landlord threw out many detailed records of the Company. At time of preparing this report the detail of some of the financial transactions of the some of the entries of the Group for the full year 1 July 2013 to 30 June 2014 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 Group 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 2015 the Reeltime Group did not recognise deferred tax assets on temporary differences or on tax losses.



**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**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 2015 that are effective for future financial periods. They are available for early adoption at 30 June 2015, 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 group.

**Note 2 Parent Information**

	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>Assets</b>		
Currents Assets	(30)	161
Non-Current Assets	600	144,033
<b>TOTAL ASSETS</b>	<b>570</b>	<b>144,194</b>
<b>Liabilities</b>		
Current Liabilities	-	137,625
Non-current Liabilities	-	862,719
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>1,000,344</b>
<b>NET ASSETS</b>	<b>570</b>	<b>(856,150)</b>
<b>Equity</b>		
Share Capital	26,375,857	25,678,633
Reserves	-	636,785
Accumulated Losses	(26,375,287)	(27,171,568)
<b>Total Equity</b>	<b>570</b>	<b>(856,150)</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Total Profit / Loss	159,497	(735,575)

**CONTRACTUAL COMMITMENTS**

The parent entity does not have any capital commitments or contingences as at 30 June 2015 (2014: \$ Nil).

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 3 Revenue**

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Revenue from continuing operations</b>		
Sales Revenue		
Sales of Goods	2,486,438	5,505,162
Other Revenue		
Interest Income - other person	114	1,595
Other revenue	378,531	166,980
<b>Total Sales and Other Revenue</b>	<b>2,865,083</b>	<b>5,673,737</b>

**Note 4 Income Tax expense**

**(a) Unrecognised deferred tax assets related to tax losses**

The Group has unrecognised tax losses in Australia of approximately \$26.8 million (2014: \$25.0 million). The benefit at 30% of approximately \$8.04 million (2014: \$7.5 million) associated with the tax losses will only be obtained if:

- The Group 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 Group continues to comply with the conditions for deductibility imposed by the Australian income tax law; and
- No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>(b) Income tax expense</b>		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
<b>Net (Loss) for the year</b>	<b>(715,360)</b>	<b>(232,463)</b>
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2014: 30%)	(214,608)	(69,739)
Adjustments for:		
tax losses carried forward		
tax losses not recognised - Australia	(214,608)	69,739
<b>Income tax expense / benefit</b>	<b>-</b>	<b>-</b>

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AND ITS CONTROLLED ENTITIES  
NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**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 Group's key management personnel ("KMP") for the year ended 30 June 20145

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

	<b>Consolidated Group</b>
	<b>Restated</b>
	<b>2015</b>
	<b>\$</b>
Short term employee benefits	486,903
Post-employment benefits	-
<b>Total Key Management Personnel Compensation</b>	<b>486,903</b>

**(b) Shareholdings**

The numbers of shares in the Company held during the financial year held by each director of Reeltime Media Ltd and other key management personnel of the Group, including their personally related parties, are set out below.

<b>Name</b>	<b>Keith Attwood</b>	<b>James Mawhinney</b>	<b>Gabriel Ehrenfeld</b>
<b>Balance as at 1 July 2013</b>	-	-	<b>190,683,720</b>
Additions	-	83,333,333	-
Disposals	-	-	(50,000,000)
Other changes during the year	-	-	-
<b>Balance at 30 June 2014</b>	-	<b>83,333,333</b>	<b>140,683,720</b>
Additions(	2,142,857	110,000,000	50,000,000
Disposals	-	-	-
Other changes during the year	-	-	-
<b>Balance as at 30 June 2015</b>	<b>2,142,857</b>	<b>193,333,333</b>	<b>190,683,720</b>

**(c) Loans to Key Management Personnel**

There were no loans made to directors of Reeltime Media Ltd or other key management personnel of the Group, including their personally related parties, during the years ended 30 June 2014 and 30 June 2015.

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**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:

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>(a) DFK Richard hill</b>		
Auditing or reviewing the financial statements	50,000	-
 <b>(b) Non - DFK Richard Hill</b>		
Auditing or reviewing the financial statements	-	-
	<hr/>	
<b>Total Auditors' Remuneration</b>	<b>50,000</b>	<b>-</b>
	<hr/>	

**Note 7 Earnings per share**

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>(a) Earnings used in calculating earnings per share</b>		
Profits/(losses) attributable to the ordinary equity holders of the Company used in calculating earnings per share	(715,360)	232,463
	 <b>2015</b>	 <b>2014</b>
	<b>Number of</b>	<b>Number of</b>
	<b>Shares</b>	<b>Shares</b>
 <b>(b) Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	609,018,083	546,212,392
 <b>(c) Basic and diluted earnings per share cents</b>	 (0.12)	 (0.04)

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**Note 8 Cash and Cash Equivalents**

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	8,185	(31,534)

The Group's exposure to interest rate risk and foreign currency risk is discussed in Note 24.

**Note 9 Trade and Other Receivables**

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade & other receivables	8,816	1,405,177
Bas receivables	3,091	-
	<b>11,907</b>	<b>1,405,177</b>
<b>Non-current</b>		
Bond of rent	7,000	34,315
Other non-current receivables	-	-
	<b>7,000</b>	<b>34,315</b>
<b>(a) Financial Assets classified as Loans and Receivables</b>		
Trade and other receivables		
Total current	8,816	1,405,177
Total non-current	7,000	34,315
Financial assets	<b>15,816</b>	<b>1,439,491</b>

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**Note 10 Inventories**

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
Current		
Finished goods	-	975
	-	<b>975</b>

**Note 11 Associates and Joint Arrangements**

No investments were accounted for under the equity method. All investments in other entities were in 100% owned subsidiaries

**Note 12 Other Financial Assets**

No other financial assets other than cash and receivables were held in either 2015 or 2014

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**Note 13 Interests in Subsidiaries**

The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

<b>Name of subsidiary</b>		<b>Principal place of business</b>	<b>Ownership interest held by the Group</b>	
			<b>2015 %</b>	<b>2014 %</b>
Bitol Pty Ltd		Australia	100	100
De Digital Pty Ltd (Subject to Deed of Company Arrangement)		Australia	100	100
De Personnel Pty Ltd (Administrators appointed)	Deconsolidated	Australia	0	100
Digital Facilities Management (Administrators appointed)	Deconsolidated	Australia	0	100
Itzama Pty Ltd		Australia	100	100
RMA Digital Holdings Pty Ltd		Australia	100	100
Ocean Feather Digital Pty Ltd	Deconsolidated	Australia	0	100
Ocean Feather Pty Ltd (Administrators appointed)	Deconsolidated	Australia	0	100
Tohil Pty Ltd (In liquidation)	Deconsolidated	Australia	0	100
Paricia Pty Ltd (Administrators appointed)	Deconsolidated	Australia	0	100
Zaramamma Pty Ltd (Administrators appointed)	Deconsolidated	Australia	0	100
Zealed Pty Ltd (in Liquidation)	Deconsolidated	Australia	0	100
Hillier Pty Ltd (in Liquidation)	Deconsolidated	Australia	0	100
Digital Personnel Pty Ltd (in Liquidation)	Deconsolidated	Australia	0	100
Level 91 Pty Ltd (in Liquidation)	Deconsolidated	Australia	0	100

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

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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**Note 14 Property Plant and Equipment**

	Restated	
	2015	2014
	\$	\$
Office Equipment	-	90,000
Depreciation	-	0
Closing book value	-	90,000
Computer Equipment	22,762	160,725
Depreciation	(5,690)	(0)
Closing book value	17,071	160,725
Motor Vehicle	23,233	62,387
Depreciation	(5,664)	(16,819)
Closing book value	17,569	45,568
Other Assets	56,561	88,244
Depreciation	(18,852)	(1,426)
Closing book value	37,709	79,097
<b>Total Property Plant and Equipment</b>	<b>72,349</b>	<b>383,112</b>

(a) Movements in Carrying amounts

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

	Office Equip	Computer Equip	Motor Vehicle	Other Assets	Totals
Consolidated Balance at 1 July 2014	90,000	160,725	45,568	86,819	383,112
Additions					
Impairment losses					
Depreciation expense		(5,690)	(14,781)	(17,426)	(37,897)
Disposals	(90,000)	(137,964)	(13,218)	(31,684)	(272,866)
Consolidated Balance at 30 June 2015	-	17,071	17,569	37,709	72,349



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**Note 15 Intangible Assets**

The identified intangibles for the business include websites, domain names, customer lists and the value of contracts acquired when the group has purchased businesses.

	Consolidated Group	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
Identified Intangibles	900,000	2,480,838
<b>Opening Balance</b>	<b>2,480,838</b>	<b>1,232,838</b>
Additions	-	1,248,000
Amortisation	-	-
Disposals	(1,580,838)	-
<b>Closing Balance</b>	<b>900,000</b>	<b>2,480,838</b>

**Note 16 Trade and Other Payables**

	Consolidated Group	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
Current Unsecured Liabilities		
Trade Creditors	-	857,419
Credit Cards / Overdraft	-	7,269
BAS & Tax Liabilities	-	876,515
Employee Liabilities Payable	1,074	645,116
Other Liabilities	-	185,897
<b>Total Current Liabilities</b>	<b>1,074</b>	<b>2,572,216</b>

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**Note 17 Issued Capital**

	<b>Consolidated Group</b>			
	<b>Restated</b>			
	<b>2015</b>	<b>2014</b>		
	<b>\$</b>	<b>\$</b>		
<b>(a) Paid Up Capital</b>				
Ordinary Shares Fully Paid	26,375,852	25,678,633		
<b>(b) Shares Issued</b>				
Fully Paid Ordinary Shares	679,573,911	515,542,860		
<b>(c) Movements in Issued and paid up Capital during the year</b>				
	<b>Note</b>	<b>Number of Shares</b>	<b>Issue Price \$0.00</b>	<b>Amount (\$)</b>
Total 30 June 2014		515,542,860		25,678,633
Issue to Director related party (Ehrenfeld)	17(d)	50,000,000	0.0566	282,919
Shares issued to workers		1,408,344	0.00245	3,128
Online Investments Placement (Mawhinney)	17(e)	110,000,000	0.001	110,000
Placement Director related party (Attwood)	17(f)	2,142,857	0.14	300,000
Ocean Feather Digital Acquisition	17(g)	479,850	0.00245	1,177
<b>Closing balance as at 30 June 2015</b>		<b>679,573,911</b>		<b>26,375,857</b>

**(d) Issue to Director related party (Ehrenfeld)**

On 5 December 2014, 50,000,000 shares were issued to entities related to Mr Gabriel Ehrenfeld. These shares were issued in payment for an incentive fee paid to Mr James Mawhinney by Mr Ehrenfeld in the 2014 period. The fair value at the time of the payment was \$282,919 which was expensed as a Directors fee to Mr Mawhinney and a payable to Mr Ehrenfeld in the 2014 financial year.

**(e) Online Investments Placement (Mawhinney)**

On 5 December 110,000,000 million shares were issued to Online Investments Pty Ltd an entity of which Mr James Mawhinney is a Director and shareholder. Online Investments Pty Ltd paid \$110,000 for the shares.

**(f) Placement Director related party (Attwood)**

On 5 December 2,142,857 shares were issued to Domax Investments Ltd a company of which Mr Attwood is a director and shareholder. Mr Attwood paid \$300,000 for his shares. Domax Investments Pty Ltd also received Options as outlined in Note 17(h) Options.

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**(g) Ocean Feather Digital Acquisition**

The shares issued to Ocean Feather Digital were issued to vendors of Ocean Feather Digital as part of the original transaction which has been accounted for in the 2013 financial accounts. These shares were issued separately to the original shares for the acquisition as the Company did not have the details of the vendors to issue these shares at that time. Accordingly the fair value of the shares issued has been recorded but there is no extra consideration received in the period.

**(h) Options**

On 5 December 2014 options were issued. The options outstanding are listed below:

Option Class	Number issued	Exercise Price	Purchase price	Expiry	Value issued
C	2,142,857	\$0.14	\$0.07	31 Dec 2015	Nil

The options are subject to price performance guarantee of an average closing price of \$0.28 for 90 days following requotation of the Company shares on the Australian Securities Exchange (ASX).

Whilst the options were issued to Mr Attwood's related entity Domax Investments Ltd the value of the options issued has been treated as nil due to the low value under option pricing models and the extra performance requirement before they can be purchased and exercised.

**(i) Convertible Notes**

The Company did not issued any convertible notes during 2015 and no convertible notes were on issue at 30 June 2014.

**Note 18 Capital and Leasing commitment**

The Reeltime Group has not got any long term Capital or finance leasing commitments.

**Note 19 Related Party Borrowings**

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Related Party Borrowings	-	687,512
Opening Balance	687,512	295,412
Payable for loan to acquire Hillier Pty Ltd		282,919
Directors fees Accrued unpaid		109,451
Equity Issued (note 17(d))	(282,919)	
Gain on discontinued operations	404,593	
Closing Balance	-	687,512

**Note 20 Operating Segments**

The Group has one operating segment being web based marketing and customer retention in Australia.

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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**Note 21 Cash Flow Information**

	<b>Consolidated Group</b>	
	<b>Restated</b>	
	<b>2015</b>	<b>2014</b>
Reconciliation of Cash Flow from Operations with loss after tax		
Loss after Income tax	(715,368)	(232,463)
(Increase) / Decrease in trade and term receivable increase / (Decrease) in trade payables and accruals	1,396,360	(1,017,394)
	(2,571,142)	2,362,953
Movements in other assets and liabilities	1,590,361	(1,247,974)
<b>Cash Flow From Operations</b>	<b>(299,781)</b>	<b>(134,878)</b>

**Note 22 Events after the Reporting Period**

The directors are not aware of any significant events since the end of the reporting period.

**Note 23 Related Party Transactions**

**Related Parties**

The Group's main related parties are as follows:

Parent Entities: Reeltime Media Ltd is the parent entity of the Group and is an Australian registered company.

Key Management Personnel: For details of key management personnel, refer to Note 5.

Subsidiaries For details of interests held in subsidiaries, refer to Note 13.

**Note 24 Financial Risk management**

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

		<b>Consolidated Group</b>	
		<b>Restated</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>
Financial Assets			
Cash And Cash Equivalent		8,185	-
Financial Assets at Fair Value through Profit and Loss			
Held for Trading		-	-
Loans and other receivables	<b>9(a)</b>	8,816	1,405,176
<b>Total Financial Assets</b>		<b>17,001</b>	<b>1,405,176</b>

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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Financial Liabilities

Trade and other payables		1,074	2,572,216
Borrowings	<b>19</b>	-	512,325
		<b>1,074</b>	<b>3,084,541</b>

**Financial Risk Management Policies**

The Group'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 Group'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 Group. The Group 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 group 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.

The Reeltime Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Reeltime Group has policies that limit the amount of credit exposure to any one entity. 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 Group 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 Group 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 Group does not have access to any undrawn borrowing facilities at the reporting date.

**(c) Market Risk**

(i) Interest rate risk

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

(ii) Foreign exchange risk

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

(iii) Other price risk

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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The Group 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.

**Note 25 Discontinued Operations**

On 21 April 2015 the Company went into Voluntary administration. The administrators sought expressions of interest from third parties in either acquiring the assets of the Company or reconstructing and recapitalising the Company.

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 details of the agreements agreed to DoCA are outlined in the accompanying Directors Report.

This arrangement means the liability to creditors is limited to the amounts recovered under the Deed. Thus the creditors are written back to nil in the accounts of the Company. This creates a Gain on Discontinued Operations as the liability will not have to be paid by the Group. Offset against this is the write off of assets of the discontinued operations.

	2015
	\$
Net Liabilities of discontinued operations	<u>(1,223,217)</u>
Net Gain on disposal of operations	1,223,217
Assets and Liabilities of discontinued operations	
Identified Intangibles	1,580,838
Fixed assets	310,763
Other Assets	30,185
Trade and Other Payables	(1,941,732)
Other Liabilities	<u>(1,203,271)</u>
Net Liabilities of discontinued operations	(1,223,217)

**Note 26 Difference caused by restatement of 2015 Accounts**

The 2015 financial year accounts previously issued had been issued without several years accounts having been fully audited. When these previous financial years were completed and audited it was found that several account balances were different. This has had a particular impact on the retained earnings, Equity issued and the Gain on Discontinued operations accounts. A table showing the changes in balances between the previously stated 2015 accounts and the Restated 2015 Accounts, Income Statement and Statement of Financial Position are below:-

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**Income Statement Extracts**

	<b>2015 Previously Stated</b>	Restatement Increment / Decrement	2015 Restated
<b>Revenue from Continuing Operations</b>			
Income	2,865,083	-	2,865,083
Less Cost of Sales	(361,354)	152	(361,202)
<b>Gross Profit</b>	<b>(2,503,729)</b>	<b>152</b>	<b>(2,503,881)</b>
<b>Expenses</b>			
Depreciation and amortisation	(37,897)	-	(37,897)
Employee Benefits Expense	(2,735,200)	876,378	(1,858,822)
Disposal of Assets	(100,721)	100,721	-
Directors fees	-	(486,903)	(486,903)
Foreign exchange loss/(gain)	(652)	412	(240)
Professional and consulting fees	(702,492)	-	(702,492)
Provision for write-down of i/co loans	(108,390)	108,390	-
Impairment of assets	(101,742)	101,742	-
Finance Expenses	(29,401)	-	(29,401)
Interest Expenses	(42,754)	-	(42,754)
Rental expense	(106,418)	-	(106,418)
Travel expenses	(22,023)	-	(22,023)
Marketing Expenses	(118,326)	-	(118,326)
Office Expenses	(70,812)	-	(70,812)
Other expenses	(766,767)	(199,603)	(966,370)
<b>Total Expenses</b>	<b>(4,943,595)</b>	501,137	<b>(4,442,457)</b>
<b>Profit / (Loss) from continuing operations before tax</b>	<b>(2,439,866)</b>	501,289	<b>(1,938,577)</b>
Income tax benefit	-	-	-
<b>Net Profit / (Loss) for the Period</b>	<b>(2,439,866)</b>	501,289	<b>(1,938,577)</b>
Other Comprehensive Income			
Gain on Loss of Control of subsidiary Companies	1,865,142	(641,926)	1,223,216
<b>Total Comprehensive profit / (loss) for the year</b>	<b>(574,724)</b>	(140,637)	<b>(715,361)</b>

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Statement of Financial position (Extract)**

	<b>2015 Previously Stated</b>	<b>Restatement Increment / Decrement</b>	<b>2015 Restated</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	8,185	-	8,185
Trade & Other Receivables	8,816	-	8,816
BAS Receivables	3,143	(54)	3,089
<b>Total Current Assets</b>	<b>20,144</b>	<b>(54)</b>	<b>20,090</b>
<b>Non-Current Assets</b>			
Total Fixed Assets	72,349	-	72,349
Other Non-Current Receivables	929	(929)	-
Identified Intangibles	900,000	-	900,000
Bond of Rent	7,000	-	7,000
Formation Cost	-	-	-
Stock	-	-	-
<b>Total Non-Current Assets</b>	<b>980,278</b>	<b>(929)</b>	<b>979,349</b>
<b>Total Assets</b>	<b>1,000,422</b>	<b>(983)</b>	<b>999,439</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Employee Liabilities Payable	1,074	-	1,074
Other Liabilities	-	-	-
<b>Total Current Liabilities</b>	<b>1,074</b>	<b>-</b>	<b>1,074</b>
<b>Non-Current Liabilities</b>			
Related Party Borrowings	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,074</b>	<b>-</b>	<b>1,074</b>
<b>Net Assets</b>	<b>999,348</b>	<b>(983)</b>	<b>998,365</b>
<b>Contributed Equity</b>			
Issued Share Capital	26,397,110	(21,253)	26,375,857
Reserves – Share Option	-	-	-
Accumulated Losses	(25,397,762)	202,271	(25,377,492)
<b>Total Equity</b>	<b>999,348</b>	<b>(983)</b>	<b>998,365</b>



**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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NOTES TO THE RESTATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 27 Reserves**

It was decided that as there were no outstanding options with any value (see note 17(h) Options), and the Company is currently operating under A Deed of Company Arrangement, that the Options Reserve was serving no purpose and may be giving the inaccurate view that there were a substantial numbers of options on issue that may be exercised in future. Accordingly the Options reserve has been offset against the retained profits of the Company,

**REELTIME MEDIA LIMITED ACN 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
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INDEPENDENT AUDITORS REPORT**

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 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.

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 Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated 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 consolidated entity's financial position as at 30 June 2015 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

**REELTIME MEDIA LIMITED ABN 67 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND CONTROLLED ENTITIES  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**Report on the Financial Report**

We have audited the accompanying financial report of Reeltime Media Limited which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 consolidated entity comprising the company and the entities it controlled 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*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

*Independence*

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

The Company together with 5 subsidiary companies 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, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

1. As stated in the Director's Report, the Company was locked out of its premises by the landlord which has caused loss of records.
2. The comparative figures relating to year end 30 June 2014 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 our opinion:

Because of the existence of the limitation on the scope of our 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, we are 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 2015 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**

We have audited the remuneration report included the report of the directors for the year ended 30 June 2015. 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*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Disclaimer of opinion*

Because of the existence of the limitation on scope of our 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, we are unable to, and do not express, an opinion on the remuneration report of Reeltime Media Limited for the year ended 30 June 2015 and whether it complies with Section 300A of the Corporation Act 2001.



John Skinner

Address: Level 2, 32 Martin Place Sydney 2000

Dated this 4th day of November 2015