SWIFT NETWORKS GROUP LIMITED
AND CONTROLLED ENTITIES
(FORMERLY STANFIELD FUNDS MANAGEMENT LIMITED)

ABN 54 006 222 395

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

Contents

CHAIRMAN'S REPORT

Dear Fellow Shareholder,

It gives me great pleasure to welcome you to the 2016 Annual Report for Swift Networks Group Limited, marking the completion of a transformative year for our Company and one in which we have achieved a number of important goals in our long-term growth strategy. This could not have been achieved without the support of our customers, partners, employees and shareholders, which we greatly appreciate.

I am happy to inform you that the Company has successfully executed a transition from its previous business, Stanfield Funds Management Limited, and has become a diversified telecommunications and digital entertainment business. Swift Networks has more than eight years' experience providing integrated solutions to accommodation providers, primarily in the resources sector. These solutions include pay and free-to-air television, telecommunications, internet, data, wireless networks and streaming video on demand services.

Following the completion of our acquisition of Swift Networks Pty Ltd and its associated Wizzie TV Pty Ltd subsidiary in May 2016, we finished FY16 strongly, generating revenue of $1.85 million from the acquisition date (20 May) to 30 June, a period of just six weeks. Revenue for the full year was up nearly 18 percent to $14.42 million, with 93 percent of that revenue being recurring. A strong indicator of our ongoing success is room numbers, which grew by some 37%. This represents nearly 30,000 rooms across Australia accessing services provided by our Company. This means that Swift has secured approaching a 30 percent market share of the 110,000 rooms provided to mining and oil gas workers in Australia. We intend to consolidate our strong position in this sector.

We have retained and extended contracts with industry heavyweights such as BHP Billiton and Chevron, and subsequent to the end of the year have announced several new contracts with existing client Rio Tinto, providing services to more than 2,000 additional rooms supporting its various projects.

Outside of resources, it is our strategy to become a provider of choice for in-room television, Wi-Fi, streaming video on demand and other in-room services across new sectors for us such as hospitality, lifestyle villages and aged care.

Australia's hotel accommodation sector, represents an addressable market of around 250,000 rooms. We were pleased to announce a significant step forward for this sector in June with the signing of a resale and deployment agreement with Freedom Internet to accelerate its expansion with new hotel and resort clients in the Gold Coast and New Zealand.

In addition, we signed new hotel clients through Auzcorp Pty Ltd, which also brings us the opportunity to expand into health care properties in Australia, Malaysia and Singapore. We also gained significant attention as the winner of the Australian Hotels Association (WA) 2016 Best New Hospitality Product, and we will work to build on this growing profile in coming months.

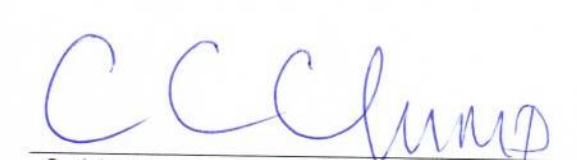
The acquisition of Swift Networks and Wizzie TV has been an ideal opportunity for our Company to undertake a strategic review of our operations, and this is now complete. This has given Swift a clear picture of the strategies we will pursue in FY2017 and beyond. As previously mentioned, we will move into new sectors, we will investigate routes for international expansion, and invest in the personnel required to drive our strategies.

I would like to thank our, Chief Executive, Xavier Kris and his Management and Staff, particularly those involved in the recent acquisition, for their efforts over the past 12 months. I would also like to welcome Robert Sofoulis and Ryan Sofoulis as Directors of the Company following the completion of the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd and sincerely thank James Pearson, Thomas Sargant and Wai Liam Ng for their past contributions to the Company.

Finally, I would like to take this opportunity to thank our Shareholders for their support, which was particularly demonstrated through our oversubscribed $4 million capital raising in May. This has allowed us to scale up our sales efforts and accelerate product and business development. The Company aims to reward this belief in Swift's ability to achieve its vision.

CHAIRMAN'S REPORT

The Board continues to see a positive outlook for Swift Networks' growth and development. The Company's management looks forward to continuing to deliver value to investors as Swift Networks builds on the promise it has shown so far.



Carl Clump
Chairman

23rd September 2016

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at http://www.swiftnetworks.com.au, under the section marked "Corporate Governance":

(a) Board Charter
(b) Board Performance Evaluation Policy;
(c) Code of Conduct;
(d) Audit Committee Charter;
(e) Remuneration and Nomination Committee Charter;
(f) Security Trading Policy;
(g) Continuous Disclosure Policy;
(h) Shareholder Communication and Investor Relations Policy;
(i) Risk Committee Charter;
(j) Risk Management Policy; and
(k) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

(a) setting and reviewing strategic direction and planning;
(b) reviewing financial and operational performance;
(c) identifying principal risks and reviewing risk management strategies; and
(d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer. The Chief Executive Officer is accountable to the Board.

CORPORATE GOVERNANCE STATEMENT

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

(a) ensuring a good flow of information between the Board, its committees, and Directors;
(b) monitoring policies and procedures of the Board;
(c) advising the Board through the Chairman of corporate governance policies; and
(d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

(a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
(b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

As at 30 June 2016 there is one woman in senior executive positions in the Company, and 6 women employees across the Company, representing 19.35% of the whole organisation. There are no women on the Board at this time. The Board maintains full transparency of board processes, reviews and appointments and encourages gender diversity.

Given the Company's size the Board does not consider it appropriate to set quantitative objectives regarding gender diversity at this time. As the operations grow, the Board will give consideration to the setting of such objectives and their achievement through the appointment of appropriate candidates to the Board and senior executive positions as they become available

Recommendation 1.6

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

During the current reporting period, the Company has not conducted an evaluation of its Chief Executive Officer as he was only appointed to that role on 19 May 2016.

Recommendation 1.7

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

(a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;

(b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and

(c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

The Company will report on whether an evaluation of the Board, its committees and individual directors has taken place in the relevant reporting period, and whether the process was in accordance with the process disclosed, in each of its corporate governance statements.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

(a) a broad range of business experience; and

(b) technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

(a) Carl Clump (Independent Chairman);
(b) Xavier Kris (Chief Executive Officer);
(c) Paul Doropoulos (Executive Director);
(d) Ryan Sofoulis (Executive Director); and
(e) Robert Sofoulis (Non-Executive Director).

Recommendation 2.4

Currently, the Board considers that membership weighted towards relevant expertise is appropriate at this stage of the Company's operations. Accordingly, the Board does not have a majority of independent directors.

Recommendation 2.5

Mr Carl Clump is an independent Chairman.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company’s website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated 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.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company’s auditor is required to attend the Company’s annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company’s auditor to inform them of the date of the Company’s annual general meeting. In accordance with section 250S of the Corporations Act, at the Company’s annual general meeting where the Company’s auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor’s report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

(a) ensuring that shareholders and the market are provided with full and timely information about its activities;

(b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and

(c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company’s website. The Disclosure Policy sets out policies and procedures for the Company’s compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company’s corporate policies and procedures and is available to all staff.

The Chief Executive Officer manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at http://www.swiftnetworks.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

(a) relevant announcements made to the market via ASX;
(b) media releases;
(c) investment updates;
(d) Company presentations and media briefings;
(e) copies of press releases and announcements for the preceding three years; and
(f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

(a) reports to Shareholders;
(b) ASX announcements;
(c) annual general meetings; and
(d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

(a) operational risk;
(b) financial reporting;
(c) compliance / regulations; and
(d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

(a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
(b) quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks.

The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks in each of its corporate governance statements.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website

When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

(a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;

(b) trading in the Company's securities which is not subject to the Company's trading policy; and

(c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

Directors' report

Your Directors present their report together with the financial statements of the Group, being Swift Networks Group Limited (the Company) and its controlled entities, for the financial year ended 30 June 2016.

Chairman and Directors

Name	Position
Mr Carl Clump	Non-Executive Chairman
Mr Xavier Kris	Chief Executive Officer (commencing 19 May 2016); Non-Executive Director (ceasing 18 May 2016)
Mr Paul Doropoulos	Executive Director
Mr Robert Sofoulis	Non-Executive Director (appointed 19 May 2016)
Mr Ryan Sofoulis	Executive Director (appointed 19 May 2016)

The following Directors resigned during the financial year ended 30 June 2016 and up to the date of this Report:

Mr James Pearson	Non-Executive Director (resigned 19 May 2016)
Mr Wai Liam Ng	Non-Executive Director (resigned 19 May 2016)
Mr Tom Sargant	Non-Executive Director (resigned 9 September 2015)

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated Group during the financial year were:

- Provision of fully integrated digital entertainment solutions for the Resource, Hotel, Lifestyle village and Aged Care sectors.
- Provision of investment opportunities predominantly in the Asian market (now ceased).

The change from the provision of investment opportunities to the provision of diversified telecommunications and digital entertainment solutions occurred in May 2016 with the acquisition of the Swift Networks business. Full details are set-out below.

Review of Operations and Financial Results

Operating Results

The consolidated loss of the Group after providing for income tax is $5,249,924 (2015: Loss of $1,394,536).

The year ended 30 June 2016 was a year of transition for the Company, culminating with the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd (together referred to as Swift Networks) on 19 May 2016. Accordingly the net loss incurred for year ended 30 June 2016 reflected predominantly costs incurred prior to the acquisition of Swift Networks and during the due diligence period.

The results for the year include the results of the newly acquired business of Swift Networks for the 6 week period from completion on 19 May to 30 June 2016. The turnover from the Swift Networks acquisition for 6 weeks ended 30 June 2016 was $1.7m. During that 6 week period the Group undertook a strategic review that will see the businesses well placed moving into 16/17 financial year.

Directors' report

Operating Results (continued)

The reported net loss of $5.25m was arrived at after taking into account approximately $3.47m of non-recurring and non-cash costs related to the acquisition of Swift Networks as follows:

	$'000
Share based payment related to the acquisition	1,522
Fair value loss on financial liability related to the potential issue of performance shares	1,025
Business restructure costs following acquisition of business	221
Contract negotiation fees following acquisition of business	335
Additional one-off costs incurred	142
Non-recurring professional fees	225
	3,470

Financial Position

The net assets of the consolidated Group have improved from $999,161 at 30 June 2015 to $5,339,878 as at 30 June 2016.

This increase is largely due to the acquisition of the Swift Network business in May 2016. Pursuant to the acquisition 30,000,000 shares in Swift Networks Group Limited valued at $4,500,000 were issued as part consideration for the acquisition. In addition the Group raised $4,000,000 by the issue of 26.7 million shares at 15 cents each pursuant to its prospectus dated 18 April 2016.

Review of Operations

On 19 October 2015, Stanfield Funds Management Ltd or "the Company" (announced that it had entered into a Heads of Agreement to acquire 100% of the issued share capital of Swift Networks Pty Ltd and Wizzie Pty Ltd (Swift Networks Group).

Swift Networks Group is a diversified telecommunications and digital entertainment business providing fully integrated solutions for the resource, hotel, lifestyle village and aged care accommodation sectors. These solutions include free to air TV, pay TV, telephony, internet and data, wireless networks and streaming content from some of the largest Hollywood studios.

The Company subsequently executed a Share Purchase Agreement on 19 November 2015, enabling Stanfield Funds Management Ltd to acquire all of the issued capital of the Swift Networks Group as part of a $10 million deal, with upfront consideration of $5 million ($4.5 million in SFN shares and $500,000 cash) and a further $5 million linked to future performance milestones.

The Company completed the acquisition on 20 May 2016. As part of the Completion, the Company changed its name from Stanfield Funds Management Limited to Swift Networks Group Limited and its ASX Code to "SW1".

Throughout the acquisition period Swift Networks continued to expand its operations. In November 2015, the Company successfully completed works for Alcatel Lucent and Bechtel throughout the accommodation village at the Chevron LNG Wheatstone Project on time and to budget. This increased the number of rooms Swift serviced at that time to more than 24,000 across Australia.

In January, Swift Networks secured a five-year contract to supply its full digital entertainment system plus content and support to the township of Cabramurrra in New South Wales. The town services the Snowy Mountains Hydro-Electric Authority personnel and their families.

This contract win was a significant milestone in the Company's plan to rapidly expand its footprint in the hospitality and accommodation market, which accounts for 250,000 rooms across Australia.

Directors' report

Review of Operations (continued)

In April, Swift Networks announced it had reached agreement with Foxtel to resell Foxtel's services in the following Australian markets:

- Aged Care
- Lifestyle Villages; and
- Hospitals.

This Master Services Agreement allows Swift Networks to offer these industry verticals wholesale rates from Foxtel. The MSA built on the earlier success of the Company's existing agreement with Foxtel regarding the resources market and allows this relationship to be extended into these new market verticals.

Securing the expanded MSA with Foxtel has enhanced Swift Networks' competitive positioning, building on its significant recurring revenues and cash flow-positive business and allows Swift to continue to take advantage of the burgeoning opportunity these markets offer. Across all of its target markets, Swift may resell Foxtel or package it with its other services, including:

- Video on demand and Hollywood movies
- Free to air radio stations
- Internet services including Wi-Fi and data
- Additional TV channels including information channels
- Entertainment applications and Skype
- Support services (helpdesk, remote diagnostic tools, infographics and analytics)

In June, Swift Networks announced it had entered a Heads of Agreement with Freedom Internet Australia ("Freedom Internet") for the resale and deployment of Swift's 'Over The Top' (cloud-based) digital content delivery service to Freedom Internet's hotel and resort clients across Australia and New Zealand, which includes The Staywell Group and Quest Corporate Hotels New Zealand.

This agreement with Freedom Internet continued Swift Networks' decisive push into the hospitality sector through a strategic partner which has a strong track record of delivering results in this vertical. Under the terms of the agreement, Freedom Internet aims to resell Swift Networks' services to 19,000 rooms or more over the term of the three-year agreement, at an initial rate of 2,000 rooms per quarter.

Building on these successes and its expansion into the hospitality market, at the end of June, Swift Networks announced it had secured two new hotel clients in the North West of Western Australia through hotel management and property development group Auzcorp Pty Ltd.

Swift Networks will provide digital entertainment services to Auzcorp's Mia Mia properties which offer premium accommodation, dining and conferencing facilities. These comprise a total of 190 rooms and may lead to further opportunities through Auzcorp's related interests in hospitality, health care and commercial properties in Australia and South East Asia.

The Company has also made a number of important announcements post year-end.

It won a contract to provide its services to Rio Tinto's Jerriwah Village in the Pilbara region of Western Australia, about 80km north-east of Tom Price. The village spans 420 rooms across 105 accommodation buildings.

It will also provide services to 1,000 workers at Rio's Hail Creek camp near Mackay in Queensland, where it will install equipment and provide ongoing support for three years. At Rio's Brockman 2 village in WA, it will provide ongoing remote management, monitoring and support of Brockman 2's TV systems across 600 rooms for a minimum 12-month term.

These contracts deepened the relationship between Swift Networks and Rio Tinto, with a number of other Rio Tinto camps also serviced by Swift.

Directors' report

Review of Operations (continued)

Swift Networks further extended its reach in the resources sector in September, with its announcement of a multi-year contract with Compass Group to provide upgrades and ongoing telecommunication services to 1,200 guests at the Gateway Village in Port Hedland.

This includes the provision of Wi-Fi and internet services together with a 36-month support and services agreement.

It also won a contract with NT Link Pty Ltd to provide TV and Wi-Fi services to an accommodation development covering an initial 36 rooms at Delamere Range, a government facility south of Katherine in the Northern Territory. The contract has the potential to extend to 212 rooms over the next 24 months.

Also in September, Swift reached an agreement with Optus Networks Pty Ltd whereby Swift can offer the 24/7 Optus Sport television channel, including Premier League coverage, across its entire customer network of more than 29,000 rooms. The agreement will run for an initial period covering the duration of Optus' ownership of the rights, positioning Swift as a leading entertainment content provider to the Australian hospitality, resources, retirement lifestyle and aged care sectors.

Corporate

Board & Management Changes

Thomas Sargant resigned from the Board on 10 September 2015.

As part of the acquisition of Swift Networks Pty Ltd and Wizzie Pty Ltd and the subsequent name change, in May 2016 Robert Sofoulis was appointed a Non-Executive Director and Ryan Sofoulis was appointed Executive Director (Head of Finance), replacing James Pearson and William Ng.

Robert is the founder of Swift Networks and Wizzie TV. He has an engineering background in instrumentation and worked in the mining and oil and gas industries for 20 years before becoming an entrepreneur in 1995.

Ryan has spent 12 years working within the various companies owned by the Sofoulis family. He worked in the accounts department with the ASTIB Group until it was sold in 2011, at which time he became the Company Secretary of Swift Networks.

Xavier Kris assumed the role of Chief Executive Officer of Swift Networks on completion of the acquisition.

Capital Raising

In May 2016, Swift successfully raised $4 million (before costs) in an oversubscribed public offer. This capital raising provided the funding for the Company to scale up its sales efforts and accelerate business development.

The Company and its directors appreciate the support investors have shown through the acquisition, listing and subsequent growth of the Swift Networks business and look forward to continuing growth in the year to come.

Directors' report

Significant Changes in State of Affairs

1) On 9 September 2015, Mr Thomas Sargant resigned from his position as a Non-Executive Director.

2) On 21 May 2015, the Company agreed to provide $300,000 in funding to Sprooki Pte Ltd ("Sprooki"), a location based mobile engagement platform which helps leading retailers and malls to reduce the time, effort and investment required to engage with shoppers.

On 20 July 2015, the Company executed a Share Purchase Agreement which provided that, subject to a number of conditions precedent, Swift Networks Group Limited (formerly Stanfield Funds Management Limited) would acquire all of the issued capital of Sprooki with a target completion date on or about 15 November 2015.

On 16 October 2015, the Company had terminated the agreement with Sprooki as several items required for completion under the terms of the agreement remained unresolved. Rather than extending the deadline for completion, the Company made the decision to terminate the agreement.

On 17 June 2016, the Company fully redeemed the $300,000 convertible note funded to Sprooki.

3) On 19 October 2015, the Company announced that it had entered into a Heads of Agreement to acquire 100% of the issued share capital of Swift Networks Pty Ltd and Wizzie TV Pty Ltd (Swift Networks).

On 15 November 2015, the Company executed a Share Sale and Purchase Agreement which provided that, subject to a number of conditions precedent, the Company would acquire of all of the issued capital of Swift Networks.

On 20 May 2016, the Company announced that in accordance with the Company's Prospectus dated 18 April 2016 and as approved by Shareholders on 26 April 2016, the following securities had been issued at $0.15 per share as consideration for the acquisition of Swift Networks:

- 30,000,000 Fully Paid Ordinary Shares;
- 16,666,667 Class A Performance Shares; and
- 16,666,667 Class B Performance Shares.

In consideration of services rendered to the Company in connection with the acquisition of Swift Networks, the Company also issued the following securities:

- 8,000,000 shares to Boardroom Capital (and/or its nominees) at a nominal issue price of $0.001 each; and
- 6,933,333 new options to Boardroom Capital nominees, brokers and advisors at an exercise price of $0.15 per share and expiring on 19 May 2021.

Upon completion of the acquisition of Swift Networks, Mr Robert Sofoulis and Mr Ryan Sofoulis were appointed as Directors of the Company replacing Mr James Pearson and Mr Wai Liam Ng.

4) On 20 May 2016, in accordance with the Company's Prospectus dated 18 April 2016 and as approved by Shareholders on 26 April 2016, the Company issued 26,666,667 ordinary shares at $0.15 per share to raise $4,000,000.

5) On 1 June 2016, the Company was reinstated to official quotation following the Company's compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the ASX Listing Rules as contained in the Share Sale and Purchase Agreement.

Directors' report

Events Since the End of the Financial Year

Since 30 June 2016 the following significant changes have occurred:

a) On 28 July the Company announced that they had won a material contract with Rio Tinto provide its services to 420 new rooms at Jerriwah Village.

b) On 9 September the Company announced that they had won a material multi-year contract with Compass Group to provide a range of upgrades and ongoing telecommunication services to 800 rooms at Gateway Village in Port Hedland.

c) On 13 September the Company announced the rights to distribute Optus' live Premier League content across its entire customer network, effective immediately.

d) On 14 September the Company announced that they had won multiple new contracts to provide entertainment and connectivity services to over 1,600 rooms across Australia.

There are no other matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

Dividends Paid or Recommended

No dividends were paid or recommended during the year (2015: nil).

Information on the Directors

Carl Clump – Non-Executive Chairman appointed 6 October 2014

Carl Clump has experience of being the CEO of a public listed company on the London Stock Exchange, an AIM listed company, a private equity backed company and two start-ups, as well as being Group Managing Director for a VC backed entity. He holds a number of Non-Executive and advisory roles. Until July 2014, he was the Chairman of the cards and payment division of a European Private Bank.

He is a special advisor to Jacanda Capital, a boutique advisory company headquartered in Sydney. He has been working with an Asia-Pacific organization on the launch of a specialist payment product, and working with other companies in Singapore, Malaysia, and UK. In 2000, Carl founded Retail Decisions, an international card issuing and fraud prevention company, with many of the world's leading brands as customers. Its customers include Banks, Payment Service Providers, Retailers and Airlines. He was the Chief Executive from 2000 until 2011. The Company was listed on the London Stock Exchange until 2006, when Carl took the company private. He retired as the company's Group Chairman in March 2013.

Prior to Retail Decisions, Carl was the Chief Executive of Card Clear plc., an AIM listed company involved in payments, card issuing, loyalty, currency exchange and fraud prevention. From 1993 to 1998, he served as the Group Managing Director of the Harpur Group, an issuer of specialist payment cards. Based in France, he was the President- Directeur General of TEPAR a consortium of European card issuing companies from 1989 to 1993. He spent some 13 years with Texaco, where he served as European Marketing Coordinator, Manager of the UK's Marketing and Planning Division, as well as a series of roles in Retail Management, Logistics and Finance and Economics.

Carl has an MBA from the Cranfield School of Management, a post-graduate diploma in Management Studies and a University of London Degree in Physics.

Directorships held in other listed companies in the past 3 years:

- None

Directors' report

Information on the Directors (continued)

Xavier Kris – Chief Executive Officer commencing 19 May 2016 and Non-Executive Director ceasing 18 May 2016

Xavier Kris is an accomplished and innovative, international C-level executive with early experience as a Chief Executive and a proven track record in building global businesses and delivering results. With over 21 years' experience as a Director of service based information technology businesses in the UK, France, USA, South East Asia and Australia, Xavier specialises in providing acquisition, integration and business development services for companies seeking to expand their operations internationally.

Xavier has led multiple international businesses within transactional processing companies, the Harpur Group and International Card Services followed by Motorcharge Australia. In 2001 he joined the data and information technology firm, Retail Decisions Ltd, a company listed on the London Stock Exchange as part of the small executive management team as Head of Global Business Development based in London and subsequently Chief Executive Officer of the Americas based in Palo Alto, California.

In addition to being a director of PLUS 8, a hospitality labour hire and management consulting group, Xavier is a founding partner of Boardroom Capital, a boutique corporate advisory firm based in Perth, Western Australia. Xavier holds an English Law and French Degree and a Master of Business Administration.

Directorships held in other listed companies in the past 3 years:

- None

Paul Doropoulos – Executive Director and Chief Financial Officer commencing 19 May 2016

Paul Doropoulos has approximately 21 years' combined experience in an Executive Consultant capacity to ASX listed companies in the oil and gas and mining services sectors. Further has an understanding of business fundamentals through multiple start-ups in the hospitality industry. Instrumental in overseeing the successful ASX listing of junior gold explorer Metaliko Resources Ltd in 2010 and Kinetiko Energy Limited in 2011. In addition he also held simultaneously the position of Chief Financial Officer in both companies. Is a founding participant to the establishment of the philanthropic Jackman Furness Foundation for the Performing Arts in Western Australia. Established and oversees financial aspects of Cirrena Pty Ltd a software solutions business with offices in Perth and Manila in the role of Chief Financial Officer. Paul also advises to the Board of Ageus Limited an enterprise developer. Paul was appointed in 2014 as an Executive Advisor to Boardroom Capital, a boutique corporate advisory firm based in Perth, Western Australia. Paul holds a Bachelor of Business Degree with Finance.

Directorships held in other listed companies in the past 3 years:

- None

Ryan Sofoulis – Executive Director and Head of Finance appointed 19 May 2016

Ryan has spent the last 12 years working within the various companies owned by the Sofoulis family. Ryan worked in the accounts department with the ASTIB Group until it was sold in 2011, at which time he became the Company Secretary of Swift Networks.

In 2012, Ryan became the Company Secretary of the newly created EITS Global Group and oversaw the establishment of an international structure spanning over the US, UK, Ireland and Australia.

Directorships held in other listed companies in the past 3 years:

- None

Directors' report

Information on the Directors (continued)

James Pearson – Non-Executive Director resigned 19 May 2016

James has approximately 30 years' experience in the Stockbroking and Wealth Management industry in London, Hong Kong and Australia. Initially as a Private Client Adviser in London and Hong Kong, James then took the position of Institutional Sales for Hartley Poynton in Perth and Melbourne before joining Patersons on their Institutional Sales Desk, providing corporate and execution services for a wide variety of boutique wholesale clients. James utilises his extensive experience and wide range of contacts in the Australian stockbroking industry to specialise in providing high quality Investor Relations Solutions and Business Development Services to listed and unlisted Australian companies.

Directorships held in other listed companies in the past 3 years:

- None

Wai Liam Ng – Non-Executive Director resigned 19 May 2016

Wai Liam has been advising international and Chinese companies over the past decade, with his own consulting practice with offices in Hong Kong and China. Prior to that, he worked for Hong Kong publicly listed companies and Western multi-national companies in the Greater China region since 1988. Wai Liam was educated in Australia, and obtained degrees from Monash University in Engineering and Business Information Systems. He speaks English, Cantonese, Mandarin, Malay and Indonesian.

Directorships held in other listed companies in the past 3 years:

- None

Thomas Sargant – Non-Executive Director resigned 9 September 2015

Tom is currently a management consultant providing services to Government and private sector clients in major infrastructure transactions and business strategy. Prior to this Tom has had an extensive career in Government managing the States' rail assets and in the construction industry contributing to some of Victoria's largest infrastructure projects. Tom holds degrees in Civil Engineering and Business Administration; he is a Fellow of the Institution of Engineers Australia and a Fellow of the Australian Institute of Company Directors.

Directorships held in other listed companies in the past 3 years:

- None

Robert Sofoulis – Non-Executive Director appointed 19 May 2016

Robert is the founder of Swift Networks and Wizzie TV. Robert has an engineering background in instrumentation and worked in the mining and oil and gas industries for 20 years before becoming an entrepreneur in 1995.

Initially concentrating in the two-way radio rental business, Robert soon expanded the business to include sales and engineering services and created ASTIB Group, consisting of various radio and communications subsidiaries. Most of the ASTIB Group was divested in January 2011 for approximately $50 million to CSE Global, a multinational organisation of the Singapore Exchange.

Directorships held in other listed companies in the past 3 years:

- None

Directors' report

Information on the Directors (continued)

Stephen Hewitt-Dutton – Company Secretary

Mr Hewitt-Dutton has over 22 years of experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University, and is an affiliate of the Institute of Chartered Accountants and a Senior Associate of FinSIA.

Before joining Trident Capital, Mr Hewitt-Dutton was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 15 years.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2016 and the number of meetings attended by each Director was:

Director	Number eligible to attend	Number Attended
Mr C Clump	12	11
Mr X Kris	12	11
Mr P Doropoulos	12	12
Mr Ryan Sofoulis (from 19/5/16)	1	1
Mr J Pearson (to 19/5/16)	11	11
Mr W Ng (to 19/5/16)	11	7
Mr T Sargant (to 9/9/15)	5	5
Mr Robert Sofoulis (from 19/5/16)	1	1

Likely developments and expected results of operations

Additional comments on expected results of operations of the Group are included in this report under the review of operations and significant changes in the state of affairs.

REMUNERATION REPORT - AUDITED

Introduction

This Remuneration Report ("The Report") has been prepared in accordance with section 300A of the Corporations Act and associated regulations. The Remuneration Report has been audited by the Group's Auditor.

The Report provides details of the remuneration arrangements for the following Key Management Personnel* of the Group and the Company for the 2016 financial year:

Directors' report

REMUNERATION REPORT – AUDITED (CONTINUED)

Executive Chairman, Non-Executive Directors and Key Personnel

Name	***Position***
Mr C Clump	Non-Executive Chairman
Mr X Kris	Chief Executive Officer
Mr P Doropoulos	Executive Director and Chief Financial Officer
Mr Ryan Sofoulis (appointed 19/5/16)	Executive Director and Head of Finance
Mr J Pearson (resigned 19/5/16)	Non-Executive Director
Mr W Ng (resigned 19/5/16)	Non-Executive Director
Mr T Sargant (resigned 9/9/15)	Non-Executive Director
Mr Robert Sofoulis (appointed 19/5/16)	Non-Executive Director

*** Key Management Personnel are those Directors and executives with authority and responsibility for planning, controlling and directing the affairs of Swift Networks Group Limited.**

Remuneration Policy

Compensation levels for key management personnel and secretaries of the Company and key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the relevant segment's performance

Compensation packages include a mix of fixed and variable compensation, and short- and long-term performance-based incentives.

There is no direct relationship between key management personnel remuneration and performance.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group.

Remuneration governance

The Company has not formed a remuneration committee. The role of a remuneration committee is instead carried out by the full Board in accordance with the Nomination and Remuneration Committee charter. The Corporate Governance statement provides further information on the role of this committee.

The key management personnel of the Company are the Directors. There are no executives, other than Directors, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

Directors' report

REMUNERATION REPORT – AUDITED (CONTINUED)

Key Management Personnel Remuneration

The emoluments for each director and key management personnel of the Company for the year ended 30 June 2016 are as follows:

		Short Term Employee Benefits				Post-Employment	
		Salary & Fees (Cash)	**Salary & Fees[1]**	**Share Based Payments[2]**	**Non Cash**	**Superannuation**	**Total**
		$	**$**	**$**	**$**	**$**	**$**
Mr C Clump	**2016**	**65,893**	**-**	**123,587**	**6,807**	-	**196,287**
	2015	15,673	14,813	-	2,632	-	33,118
Mr X Kris	**2016**	**236,063**	**-**	**422,884**	**6,807**	**570**	**666,324**
	2015	68,417	71,754	-	2,632	-	142,803
Mr P Doropoulos	**2016**	**185,197**	**-**	**372,974**	**6,807**	**855**	**565,833**
	2015	50,643	62,495	-	2,632	-	115,770
Mr Ryan Sofoulis (appointed 19/5/16)	**2016**	**15,700**	**-**	**-**	**6,807**	**-**	**22,507**
	2015	-	-	-	-	-	-
Mr J Pearson (resigned 19/5/16)	**2016**	**86,895**	**-**	**383,111**	**6,807**	-	**476,813**
	2015	25,396	25,938	-	2,632	-	53,966
Mr W Ng (resigned 19/5/16)	**2016**	**15,000**	**-**	**-**	**6,806**	-	**21,806**
	2015	39,228	-	-	2,631	-	41,859
Mr T Sargant (resigned 9/9/15)	**2016**	**6,900**	**-**	**-**	**6,807**	-	**13,707**
	2015	6,728	12,031	-	2,631	-	21,390
Mr Robert Sofoulis[3] (appointed 19/5/16)	**2016**	**16,661**	**-**	**-**	**6,806**	-	**23,467**
	2015	-	-	-	-	-	-
Total	**2016**	**628,309**	**-**	**1,302,556**	**54,454**	**1,425**	**1,986,744**
	2015	206,085	187,031	-	15,790	-	408,906

[1] Remuneration paid to Directors for services provided to the Company during the year which was satisfied by the issue of 822,936 ordinary shares in the Company at $0.25 pursuant to the DOCA. The shares issued were as a result of the conversion of creditor balances and which included GST.

[2] Refer to the below table and Note 19 for further details.

[3] Fees paid to Mr Robert Sofoulis is in relation to a related party service contract.

Details of Share Based Payments

	Remuneration Type	Grant Date	Number Granted	Grant Value $
Mr C Clump	Shares Options	19/05/2016 19/05/2016	693,333 260,000	$103,307 $20,280
Mr X Kris	Shares Options	19/05/2016 19/05/2016	2,408,889 820,000	$358,925 $63,960
Mr P Doropoulos	Shares Options	19/05/2016 19/05/2016	2,128,889 715,000	$317,204 $55,770
Mr J Pearson	Shares Options	19/05/2016 19/05/2016	2,222,223 666,667	$331,111 $52,000

The shares and options granted to Directors were in consideration for services provided to the Company in connection with the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. All options are escrowed for 24 months, exercisable at 15 cents and are due to expire on 19 May 2021 if not exercised earlier. All shares and options vested immediately upon grant. The fair value of options granted was determined using the Black-Scholes option pricing model using the following key inputs:

REMUNERATION REPORT – AUDITED (CONTINUED)

Key Management Personnel Remuneration (continued)

Weighted average exercise price (cents)	0.15
Weighted average life of the options (years)	5
Weighted average underlying share price (cents)	0.15
Expected share price volatility	60%
Risk free-interest rate	2.13%
Grant date	19 May 2016

The size of the Company has resulted in the Board assuming the roles of key management personnel for the purposes of executive remuneration reporting.

Current service agreements

The agreements related to remuneration are set out below:

(i) The Company has entered into letter agreements for Director Fees as follows:

Carl Clump	$48,000 per annum plus statutory superannuation
Xavier Kris	$36,000 per annum plus statutory superannuation
Paul Doropoulos	$36,000 per annum plus statutory superannuation
Ryan Sofoulis	$36,000 per annum plus statutory superannuation
Robert Sofoulis	$36,000 per annum plus statutory superannuation

The agreements for the above Directors commenced upon completion of the acquisition of Swift Networks Pty Ltd and Wizzie Pty Ltd on 19 May 2016.

(ii) The Company has entered into an employment agreement with Ryan Sofoulis, whereby the base remuneration, exclusive of superannuation entitlements, for services provided by Mr Sofoulis as the Head of Finance of the Company is $100,000 per annum. The term of the employment agreement commenced on 19 May 2016 until such time as the agreement is terminated in accordance with the terms of the agreement. The Company or Mr Sofoulis may terminate the employment agreement at any time by giving to the other not less than 9 months' written notice.

(iii) The Company has entered into a service agreement with Xavier Kris, for the provision of corporate consultancy services as Chief Executive Officer. The Company has agreed to pay a base remuneration of $16,465 per month ($197,585 per annum), and any additional payments for hours of services performed over and above the required minimum capped at a maximum of $10,000.

The term of the agreement is for a minimum period of 6 months commencing on 19 May 2016 with 3 months' written notice by either party at any time after the first 6 months.

Directors' report

REMUNERATION REPORT – AUDITED (CONTINUED)

Current service agreements (continued)

(iv) The Company has entered into a service agreement with Paul Doropoulos, whereby the Company has agreed to pay NVNG Investments Pty Ltd, a Company in which Mr Doropoulos is the sole director, for the provision of consultancy services as Chief Financial Officer. The Company has agreed to pay a base remuneration of $8,233 per month ($98,792 per annum), and any additional payments for hours of services performed over and above the required minimum capped at a maximum of $5,000.

The term of the agreement is for a minimum period of 6 months commencing on 19 May 2016 with 3 months' written notice by either party at any time after the first 6 months.

(v) The Company has entered into a service agreement with Sofoulis Holdings Pty Ltd, a Company in which Robert Sofoulis is a director of and has a controlling interest in, for the provision of consultancy services and has agreed to pay $12,500 per month ($150,000 per annum). The term of the agreement is fixed for 24 months commencing on 19 May 2016. In the event of the Company terminating the service agreement within the fixed term, the Company is liable to pay for the remainder of the term of the service agreement.

Terminated service agreements

(i) The Company had entered into a service agreement with Boardroom Capital Pty Ltd, a Company in which Xavier Kris is the sole director, for the provision of corporate consultancy services. The Company had agreed to pay a base remuneration of $12,500 per month ($150,000 per annum), and any additional payments for hours of services performed over and above the required minimum capped at a maximum of $7,500. The agreement also stipulated that $15,000 per month was to be paid in relation to interim executive management services provided to the Company. The monthly remuneration of $35,000 to Boardroom Capital Pty Ltd incorporated services provided by other directors of Swift as follows:

Paul Doropoulos	$138,000 per annum ($11,500 per month)
James Pearson	$62,244 per annum ($5,187 per month)
Carl Clump	$28,440 per annum ($2,370 per month)

The term of the agreement was for a period of 24 months commencing on 6 October 2014 however it was terminated on 19 May 2016 upon completion of the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. No termination benefit was paid upon termination of the service agreement.

(ii) The Company had entered into letter agreements for Director Fees as follows:

Carl Clump	$48,000 per annum
Xavier Kris	$36,000 per annum
Paul Doropoulos	$36,000 per annum
James Pearson (resigned 19 May 2016)	$36,000 per annum
Wai Liam Ng (resigned 19 May 2016)	$36,000 per annum
Tom Sargant (resigned 9 September 2015)	$36,000 per annum

The agreements for the above directors were terminated either upon completion of the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd or at the date of resignation.

REMUNERATION REPORT – AUDITED (CONTINUED)

Shareholdings of key management personnel

The movement during the reporting period in the number of ordinary shares of Swift Networks Group Limited held directly, indirectly or beneficially, by each specified Director and key management personnel, including their related entities, is as follows:

	Held at 30 June 2015 No.	Balance held at Appointment No.	Shares Acquired[1] No.	Shares Issued[2] No.	Shares Granted[3] No.	Balance held at Resignation No.	Held at 30 June 2016 No.
Directors							
C Clump	411,546	-	155,000	693,333	-	-	**1,259,879**
X Kris	971,944	-	200,000	2,408,889	-	-	**3,580,833**
P Doropoulos	314,982	-	12,566	2,128,889	-	-	**2,456,437**
Ryan Sofoulis (appointed 19/5/2016)	-	39,000	-	-	-	-	**39,000**
J Pearson (resigned 19/5/2016)	680,503	-	137,801	2,222,223	-	(3,040,527)	**-**
W Ng (resigned 19/5/2016)	-	-	-	-	-	-	**-**
T Sargant (resigned 9/9/2015)	128,125	-	-	-	-	(128,125)	**-**
Robert Sofoulis (appointed 19/5/2016)	-	120,000	-	-	30,000,000	-	**30,120,000**

[1] Shares acquired during the year were as a result of on market purchases.

[2] Shares issued during the year were as a result of the public offer per the Prospectus dated 18 April 2016.

[3] 30,000,000 shares issued during the year were as a result of the acquisition of Swift Networks. In addition to the above, Robert Sofoulis may be issued with a further 33,333,334 ordinary shares if the performance conditions as agreed as part of the Swift Networks acquisition are met. Refer Note 14.

Option holdings of key management personnel

The movement during the reporting period in the number of issued options of Swift Networks Group Limited held directly, indirectly or beneficially, by each specified Director and key management personnel, including their related entities, is as follows:

	Held at 30 June 2015 No.	Balance held at Appointment No.	Options Issued[1] No.	Balance held at Resignation No.	Held at 30 June 2016 No.	Options vested & exercisable at year end
Directors						
C Clump	480,000	-	260,000	-	**740,000**	**740,000**
X Kris	1,160,000	-	820,000	-	**1,980,000**	**1,980,000**
P Doropoulos	80,000	-	715,000	-	**795,000**	**795,000**
Ryan Sofoulis (appointed 19/5/2016)	-	-	-	-	-	-
J Pearson (resigned 19/5/2016)	920,000	-	666,667	(1,586,667)	-	-
W Ng (resigned 19/5/2016)	-	-	-	-	**-**	**-**
T Sargant (resigned 9/9/2015)	208,125	-	-	(208,125)	-	-
Robert Sofoulis (appointed 19/5/2016)	-	-	-	-	**-**	**-**

[1] Options issued during the year were issued as remuneration as part of the acquisition of Swift Networks. The exercise price of each option is $0.15, expiring 19 May 2021.

Directors' report

REMUNERATION REPORT – AUDITED (CONTINUED)

Loans with key management personnel

Convertible notes

During the year, there were no convertible notes issued to directors and their related parties.

	2016	2015[1]
	$	$
Carl Clump	-	60,000
Xavier Kris	-	145,000
Paul Doropoulos	-	10,000
James Pearson	-	115,000
Tom Sargant	-	20,000
	-	350,000

[1] Pursuant to the DOCA and recapitalisation of the Company, the convertible notes were repaid by way of fully paid ordinary shares issued to the directors and their related parties at a value of $0.25 per share. No interest was payable on these notes.

Loans

During the year, the directors and their related parties advanced the following funds to the Company:

	2016	2015[1]
	$	$
Opening balance	-	-
Funds advanced to Administrator as deposit on execution of DOCA		
- Carl Clump	-	67,008
- Xavier Kris	-	67,746
- James Pearson	-	67,378
Funds advanced to pay costs associated with the DOCA		
- Paul Doropoulos	-	159,780
Funds owed to Sentinel Gardens Pty Ltd, a related party of Ryan and Robert Sofoulis, by Wizzie TV Pty Ltd, upon the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd[2]	1,309,308	-
Funds repaid	(400,000)	(361,912)
Closing balance	909,308	-

[1] Interest of $26,569 was paid to directors and their related parties on the total funds advanced.

[2] The loan was interest free and repayable at call. Subsequent to 30 June 2016 the loan was repaid in full.

REMUNERATION REPORT – AUDITED (CONTINUED)

Other transactions with key management personnel

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

		2016 $	2015 $
(i)	Payments to NVNG Investments Pty Ltd, an entity in which Paul Doropoulos is a Director, representing interest charges for hard costs charged to NVNG Investments Pty Ltd as part of recapitalisation pursuant to the DOCA.	-	8,049
(ii)	Payments to BWD Advisory Pte Ltd, an entity in which Carl Clump is a Director, representing interest charges for funds advanced in relation to the DOCA.	-	6,140
(iii)	Payments made to Tri-Nation Holdings Pty Ltd, a company of which Xavier Kris is a Director, representing interest charges for funds advanced in relation to the DOCA.	-	6,207
(iv)	Payments made to Old Tudor Pty Ltd, a company of which James Pearson is a Director, representing interest charges for funds advanced in relation to the DOCA.	-	6,173
(v)	Payments made to Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a Director and Ryan Sofoulis is associated with, for provision of office premises, pursuant to operating lease.	44,202	-
	Amounts outstanding at reporting date Aggregates amount payable to Key Management Personnel and their related entities at reporting date.		
(i)	Payables	557,483	59,840
(ii)	Borrowings – refer to Note 15 for further details	909,308	-

No other transactions or loans existed during the year and as at reporting date between the Company and with key management personnel.

Use of remuneration consultants

The Company did not employ the services of remuneration consultants during the financial year.

Voting and comments made at the Company's 2015 Annual General Meeting

The approval of the remuneration report was passed as indicated in the results of the Annual General Meeting dated 25 November 2015. The Company did not receive specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the Audited Remuneration Report.

Directors' report

Shares under option

Unissued ordinary shares of Swift Networks Group Limited under option at the date of this report are:

Grant date	Expiry date	Exercise Price	Number
30 April 2015	30 April 2018	$0.25	9,440,000
19 May 2016	19 May 2021	$0.15	6,933,333
			16,373,333

On 5 August 2016, 205,220 unlisted options granted on 5 August 2015 expired unexercised.

There were no shares issued on the exercise of options during the financial year.

Indemnification and Insurance of Directors

During the financial year, Swift Networks Group Limited paid a premium of $59,365 to insure the Directors and Officers of the Company and its wholly owned subsidiaries.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of any entity in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of the duty by the officers or the improper use by the officers of their position or of information to gain an advantage for themselves or someone else to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Non-Audit Services

BDO Audit (WA) Pty Ltd is the Group's auditor. During the year, non-audit services of $26,550 were performed for other services in addition to their statutory duties. 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 is important.

Details of the amount paid to the auditors are disclosed in Note 25 to the financial statements.

Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 29.

Details of amounts paid or payable to the auditor, BDO Audit (WA) Pty Ltd, for audit and non-audit services provided during the financial year are set out in Note 25 to the financial statements.

Environmental Regulations

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report greenhouse gas emissions and energy use. For the measurement period 1 July 2015 to 30 June 2016 the directors have assessed that there are no current reporting requirements, but the Group may be required to do so in the future.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Directors' report

Dated at Perth this 23rd day of September 2016.
This report is made in accordance with a resolution of the Directors:

Carl Clump
Chairman

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF SWIFT NETWORKS GROUP LIMITED

As lead auditor of Swift Networks Group Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Swift Networks Group Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 23 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

		Consolidated	
		2016	**2015**
	Notes	**$**	**$**
Revenue			
Revenue from continuing operations	3	1,729,035	163,255
Total revenue and income		1,729,035	163,255
Expenses			
Depreciation	4, 11	(170,225)	-
Employment costs		(931,213)	(419,983)
Occupancy expenses	4	(44,202)	(29,725)
Professional fees		(678,942)	(272,110)
Impairment of available-for-sale assets		(53,663)	(156,246)
Provision for doubtful debts		(66,083)	-
General and administration expenses		(326,230)	(93,160)
Finance costs	4	-	(83,625)
Administrator and DOCA costs		-	(502,942)
Raw materials and direct costs	4	(1,670,527)	-
Loss on assets written-off	11	(232,487)	-
Loss on sale of available-for-sale assets		(132,267)	-
Share based payments	4	(1,522,200)	-
Fair value loss on financial liability	4	(1,025,000)	-
Business restructure expenses	4	(221,000)	-
Total expenses		(7,074,039)	(1,557,791)
Profit / (loss) before income tax expense		(5,345,004)	(1,394,536)
Income tax benefit	5	95,080	-
Profit / (loss) after income tax expense for the year		(5,249,924)	(1,394,536)
Other comprehensive income / (loss)			
Items that may be reclassified to profit or loss		-	-
Other comprehensive income / (loss) for the year		-	-
Total comprehensive loss for the year		(5,249,924)	(1,394,536)
Loss per share for the year attributable to the members of Swift Networks Group Limited:			
From continuing operations:			
Basic earnings / (loss) per share (cents)	30	(22.3)	(20.8)
Diluted earnings / (loss) per share (cents)	30	(22.3)	(20.8)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

SWIFT NETWORKS GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 54 006 222 395

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

		Consolidated	
		2016	2015
	Notes	$	$
Current assets			
Cash and cash equivalents	6	3,208,352	484,420
Trade and other receivables	7	1,610,720	43,354
Inventory	8	470,454	-
Convertible note receivable	9	-	300,000
Available for sale financial assets	10	83,350	322,187
Total current assets		5,372,876	1,149,961
Non-current assets			
Property, plant and equipment	11	1,385,804	-
Deferred tax assets	12	348,867	-
Intangibles	13	4,246,550	-
Total non-current assets		5,981,221	-
Total assets		11,354,097	1,149,961
Current liabilities			
Trade and other payables	14	2,983,911	150,800
Provisions		221,000	-
Borrowings	15	909,308	-
Total current liabilities		4,114,219	150,800
Non-current liabilities			
Financial liabilities	16	1,900,000	-
Total Non-current liabilities		1,900,000	-
Total liabilities		6,014,219	150,800
Net assets		**5,339,878**	**999,161**
Equity			
Issued capital	17	28,727,663	19,677,822
Reserves	18	650,652	109,852
Accumulated losses	20	(24,038,437)	(18,788,513)
Total surplus in equity		**5,339,878**	**999,161**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

SWIFT NETWORKS GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 54 006 222 395

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

30 June 2016	**Note**	**Contributed equity**	**Reserves**	**Retained earnings/ (losses)**	**Total equity**
		$	**$**	**$**	**$**
Balance at 1 July 2015		19,677,822	109,852	(18,788,513)	999,161
Total comprehensive loss for the year		-	-	(5,249,924)	(5,249,924)
Transactions with shareholders in their capacities as shareholders					
- Placement of shares	17	9,700,000	-	-	9,700,000
- Options granted	19(ii)	-	540,800	-	540,800
- Share issue costs		(650,159)	-	-	(650,159)
Balance at 30 June 2016		28,727,663	650,652	(24,038,437)	5,339,878

30 June 2015	**Note**	**Contributed equity**	**Reserves**	**Retained earnings/ (losses)**	**Total equity**
		$	**$**	**$**	**$**
Balance at 1 July 2014		17,211,882	109,852	(17,393,977)	(72,243)
Total comprehensive loss for the year		-	-	(1,394,536)	(1,394,536)
Transactions with shareholders in their capacities as shareholders					
- Placement of shares	17	2,643,449	-	-	2,643,449
- Share issue costs		(177,509)	-	-	(177,509)
Balance at 30 June 2015		19,677,822	109,852	(18,788,513)	999,161

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SWIFT NETWORKS GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 54 006 222 395

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

		Consolidated	
		2016	**2015**
	Notes	**$**	**$**
Cash flows from operating activities			
Cash receipts in the course of operations		2,453,462	-
Cash payments in the course of operations		(3,216,141)	(1,111,151)
Interest received		25,222	3,910
Net cash inflow/(outflow) from operating activities	21	(737,457)	(1,107,241)
Cash flows from investing activities			
(Acquisition)/redemption of convertible note		300,000	(300,000)
Payment for acquisition of business net of cash acquired	31(b)	(67,216)	-
Proceeds on sale of available-for-sale financial assets		52,907	-
Net cash inflow/(outflow) from investing activities		285,691	(300,000)
Cash flows from financing activities			
Proceeds from issue of shares		4,008,000	1,011,919
Drawdown of convertible notes		-	1,180,000
Repayment of convertible notes		-	(403,352)
Interest paid on convertible notes		-	(77,488)
Repayment of borrowings		(400,000)	-
Payment of share issue costs		(432,302)	-
Net cash inflow/(outflow) from financing activities		3,175,698	1,711,079
Net increase/(decrease) in cash and cash equivalents		2,723,932	303,838
Cash, deposits and cash equivalents at the beginning of the financial year		484,420	180,582
Cash and cash equivalents at the end of the financial year	6	3,208,352	484,420

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Reporting entity

Swift Networks Group Limited (the 'Company') is a Company domiciled in Australia and a for-profit entity for the purpose of preparing financial statements. The consolidated financial statements and notes represent those of the Swift Networks Group Limited and controlled entities (the "consolidated Group" or "Group").

The separate financial statements of the parent entity, Swift Networks Group Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

2. Statement of Significant accounting policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

The consolidated financial statements were approved by the Board of Directors on 23rd September 2016.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Swift Networks Group Limited at the end of the reporting period. A controlled entity is any entity over which Swift Networks Group Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 29 to the financial statements.

2. Statement of Significant accounting policies (continued)

(a) Principles of Consolidation (continued)

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the Equity section of the Consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at amortised cost in the Company's financial statements.

Transactions eliminated on consolidation

Intra-Group balances, and any unrealised gains and losses or income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

(b) Income Tax

The income tax expense / (benefit) for the year comprises current income tax expense (income) and deferred tax expense / (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense / (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

2. Statement of Significant accounting policies (continued)

(b) Income Tax (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated Group, are classified as finance leases.

Finance leases are capitalised by recording 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 charged 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 life of the lease term.

2. Statement of Significant accounting policies (continued)

(d) Financial Instruments

Recognition and Initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

2. Statement of Significant accounting policies (continued)

(d) Financial Instruments (continued)

Classification and subsequent measurement (continued)

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

iii. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Also, any cumulative decline in fair value previously recognised in other comprehensive income is classified to profit or loss at this point.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2. Statement of Significant accounting policies (continued)

(e) Impairment of Assets

At each the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless the asset is carried at a relevant amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(f) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

(g) Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Superannuation

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

(h) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash held on reserve to meet collateral requirements, lease bonds and for regulatory purposes are not included in cash and cash equivalents, but classified as cash deposits not available for use by the Group.

2. Statement of Significant accounting policies (continued)

(j) Trade and Other Receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(k) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Revenue is recognised on an accruals basis in accordance with the timing in which services are rendered.

The gross proceeds of non-current asset sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Interest revenue is recognised using the effective interest rate method.

Management fees are recognised once all conditions have been satisfied to recognise the services provided.

Where uncertainty exists as to the recoverability of the management fees that have been earned an impairment of the amount due will be taken to Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(l) Inventories

Inventories are measured at the lower of coast and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(m) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Motor Vehicles	25%
Software	25% - 66.66%
Office Equipment, Fit Out & Furniture	10% - 100%
Test Equipment & Tools	10% - 66.66%
Rental Equipment – DES	20% - 100%

2. Statement of Significant accounting policies (continued)

(n) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

(o) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(p) Borrowing Costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

2. Statement of Significant accounting policies (continued)

(r) 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 the profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

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

(s) 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.

(t) Earnings Per Share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(u) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

2. Statement of Significant accounting policies (continued)

(v) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

Utilisation of carried forward tax losses

The Group's ability to access carried forward tax losses not brought to account (Note 5(a)) in the future is contingent on the Group passing either the "Same business test" or "Continuity of ownership". The ability for the Group to pass the Continuity of Ownership test is dependent on the outcome of future share and rights issues.

Share based payment transactions

Employees and Directors

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted.

External Consultants

The Group measures the cost of equity-settled transactions with external consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by utilising the market price of the Company's share at the date which shares and/or options are granted.

Significant Judgement

Identifying the acquirer in business combination

During the year the company acquired 100% of Swift Networks Pty Ltd and Wizzie TV Pty Ltd (refer Note 27). The company has determined that Swift Networks Group limited (formerly Stanfield Funds Management Limited) was the acquirer as:

- Swift Networks Group Limited has majority board representation

- The owners of Swift Network Pty Ltd and Wizzie TV Pty Ltd did not have a majority shareholding of the group post-acquisition.

Goodwill – impairment testing

The group tests annually whether goodwill has suffered any impairment. The Board has determined the most appropriate method for determining the recoverable amount of the goodwill attributable to the Swift Networks acquisition is by assessing the fair value less cost of disposal of the underlying assets (refer Note 13). No impairment has been recognised in respect of goodwill at the end of the reporting period.

2. Statement of Significant accounting policies (continued)

(v) Critical Accounting Estimates and Judgments (continued)

Contingent consideration

In the event that certain pre-determined milestones (as disclosed in Note 16) are achieved by the subsidiary, additional consideration of up to 33,333,334 shares may be issued. The Directors have assessed the likelihood of reaching these milestones as at the date of acquisition to be 20% for milestone 1 and 15% for milestone 2 on the basis of both internal budgeting and information regarding contracts signed related to rooms and revenue. The fair value of the contingent consideration on acquisition date of $875,000 is based on these assigned probabilities and the share price on acquisition date.

As at 30 June 2016, the fair value of this financial liability has increased to $1,900,000 as a result of the increase in share price of Swift Networks Group Limited from 15 cents to 20.5 cents at 30 June 2016 and the increased likelihood of the milestones being reached to 30% and 25%. The increase in probabilities is based on the Group acquiring multiple new contracts to provide entertainment and connectivity at facilities across Australia. This resulted in a fair value loss of $1,025,000 in the period.

(w) Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

(x) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited against the asset and is released to the Statement of Profit or Loss and Other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to income tax expense in the Statement of Profit or Loss and Other Comprehensive Income in the year of receipt.

(y) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company.

2. Statement of Significant accounting policies (continued)

(y) New, revised or amending Accounting Standards and Interpretations adopted (continued)

AASB 9 Financial Instruments – Recognition and Measurement (Effective 1 January 2018)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

- Financial assets that are debt instruments will be classified based on (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
    - The change attributable to changes in credit risk are presented in other comprehensive income (OCI);
    - The remaining change is presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- Classification and measurement of financial liabilities; and
- De-recognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.

Consequential amendments arising from AASB 9 are contained in AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters, AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments and AASB 2014-1 Amendments to Australian Accounting Standards.

The introduction of AASB 9 is not expected to have a significant impact on the operations of the Group when implemented.

2. Statement of Significant accounting policies (continued)

(y) New, revised or amending Accounting Standards and Interpretations adopted (continued)

AASB 15 Revenue from Contracts with Customers (Effective 1 January 2018)

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Group.

3. Revenue – continuing operations

	Consolidated 2016 $	2015 $
Other revenue		
Sales revenue	1,699,076	-
Interest	25,222	6,030
Dividend income	-	8,335
Forgiveness of trade payables	-	142,352
Other income	4,737	6,538
	1,729,035	163,255
Revenue from continuing operations	1,729,035	163,255

4. Expenses

	2016 $	2015 $
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest on convertible notes	-	83,625
Finance costs expensed	-	83,625
Rental expense relating to operating leases		
Minimum lease payments	44,202	29,725
Superannuation expense		
Defined contribution superannuation expense	1,425	599
Raw materials and direct costs		
Expenses incurred in relation to sales	1,670,527	-
Depreciation expense		
Depreciation of plant and equipment	170,225	-
Significant expenses		
Expenditure in relation to business review and restructure costs following acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd	221,000	-
Share based payments - Issue of shares and options to consultants and related parties in relation to acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd (Refer Note 19)	1,522,200	-
Fair value loss on financial liability (Refer Note 16(b))	1,025,000	-
	2,768,200	-

5. Income tax expense / (benefit)

(a) Income tax expense / (benefit)

	Consolidated	
	2016	**2015**
	$	**$**
Current tax	-	-
Deferred tax	(95,080)	-
	(95,080)	-

(b) Reconciliation between tax expense and prima facie tax payable

	Consolidated	
	2016	**2015**
	$	**$**
Profit / (loss) from operations before income tax expense	(5,345,004)	(1,394,536)
Prima facie income tax (benefit)/charge calculated at 30% (2015: 30%)	(1,603,501)	(418,361)
Non-deductible share based payments	456,660	-
Capital raising costs allowable	(37,025)	-
	(1,183,866)	(418,361)
Changes to income tax expense due to:		
Movements in unrecognised timing differences	(7,437)	1,239
Impairment of available-for-sale financial assets	16,099	46,874
Unused tax losses not recognised as a deferred tax asset	1,080,124	370,248
Income tax expense / (benefit) attributable to profit / (loss) from ordinary activities	(95,080)	-
Tax losses carried forward not recognised as deferred tax asset	3,561,521	551,508

The taxation benefits of tax losses not brought to account will only be obtained if:

- assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- conditions for deductibility imposed by the law are complied with; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

6. Cash and cash equivalents

	2016	**2015**
	$	**$**
Cash at bank and on hand	3,208,352	484,420

Cash carries a weighted average effective interest rate of 1.4% (2015: 2.0%).

Cash not available for use

At balance date, no cash and cash equivalents were not available for use by the Company (2015: $Nil).

7. Trade and other receivables

	Consolidated	
	2016	**2015**
	$	**$**
Current		
Trade debtors	1,252,128	6,691
Other debtors	81,315	6,199
Prepayments	195,274	3,669
GST receivable	49,194	26,795
Deposits	32,809	-
	1,610,720	43,354

None of the above receivables are past due or impaired. Refer to Note 23 for the Group's financial risk management policies.

8. Inventory

	Consolidated	
	2016	**2015**
	$	**$**
Current		
Inventory		
- Finished goods	156,254	-
- Work in progress	314,200	-
	470,454	-

9. Convertible note receivable

	2016	**2015**
	$	**$**
Convertible note receivable – Sprooki Pte Ltd	-	300,000

The convertible note represents funding provided by the Company to expedite the regional expansion and growth strategy of Sprooki Pte Ltd, a location based mobile engagement platform as reported to the ASX on 21 May 2015.

The note was fully redeemed on 17 June 2016. Total interest derived on the convertible note was $16,390 net of foreign withholding taxes.

10. Available-for-sale financial assets

	2016	**2015**
	$	**$**
Available-for-sale financial assets		
Current		
1,889,521 shares in Mariner Corporation Limited (ASX code: MCX)	-	88,807
833,500 shares in Aquaint Capital Holdings Limited (ASX Code: AQU)	83,350	233,380
	83,350	322,187

10. Available-for-sale financial assets (continued)

The shares held in Aquaint Capital Holdings Limited were released from escrow on 11 November 2015.

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

AASB 7 Financial Instruments: Disclosure requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) Level 1 - Fair value measurements were obtained using quoted prices (unadjusted) in active markets for identical assets.

(ii) Level 2 - Fair value measurements were obtained using inputs other than quoted prices that are observable for the asset either directly (as prices) or indirectly (derived from prices).

(iii) Level 3 - Measurements are not based on observable market data (unobservable inputs).

Gains or losses on listed investments have been included directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The available-for-sale financial assets are all Level 1 assets.

11. Property, plant and equipment

	Motor Vehicles	Software	Office Equipment, Fit Out & Furniture	Test Equipment & Tools	Rental Equipment - DES	Total
	$	$	$	$	$	$
Year ended 30 June 2016						
Opening net book value	-	-	-	-	-	-
Additions	-	-	-	-	1,910	1,910
Acquired upon acquisition of subsidiaries	64,220	43,268	562,727	55,141	1,061,250	1,786,606
Disposals/assets written-off	-	-	-	-	(232,487)	(232,487)
Depreciation for the year	(3,392)	(6,419)	(16,817)	(5,070)	(138,527)	(170,225)
Closing net book value	60,828	36,849	545,910	50,071	692,146	1,385,804
At 30 June 2016						
Cost or fair value	91,143	141,356	1,017,376	170,566	3,282,680	4,703,121
Accumulated depreciation	(30,315)	(104,507)	(471,466)	(120,495)	(2,590,534)	(3,317,317)
Net book value	60,828	36,849	545,910	50,071	692,146	1,385,804

12. Deferred Tax Assets

	2016	2015
	$	$
The balance comprises temporary differences attributable to:		
Amounts recognised directly in the statement of financial position:		
Contractual obligations	195,167	-
Accruals	87,400	-
Provisions	66,300	-
	348,867	-

13. Intangibles

	2016 $	2015 $
Goodwill		
Arising upon business consolidation	4,246,550	-
	4,246,550	-

Goodwill acquired through the business combination has been allocated to the Company's only cash generating unit ('CGU') for impairment testing. The goodwill is attributable to the Swift Networks acquisition and the expected cash flows to arise from the Company's acquisition of the acquired business. The Board has determined the recoverable amount of the CGU by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The method applied was the market approach based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share) of the Group on the Australian Securities Exchange (ASX). The recoverable value is therefore a Level 1 measurement based on observable inputs of publicly traded shares in an active market. The Board has not identified any reasonable possible changes in key assumptions that could cause the carrying amount of the CGU to exceed its recoverable amount.

14. Trade and other payables

	2016 $	2015 $
Trade payables	1,732,276	113,613
Other payables and accruals	347,483	37,187
Employee entitlements	161,334	-
GST payable	33,975	-
Contractual liabilities: operating lease	650,556	-
Tax liabilities payable	58,287	-
	2,983,911	150,800

15. Borrowings

	2016 $	2015 $
Unsecured – current		
Loans payable	909,308	-
	909,308	-

The loans payable for the year ended 30 June 2016 represents funds advanced by Sentinel Gardens Pty Ltd, a related party of Ryan and Robert Sofoulis, prior to the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. The loan was interest free and repayable at call. Subsequent to 30 June 2016 the loan was repaid in full.

16. Financial Liability at Fair Value

	2016 $	2015 $
Non-Current		
Amount due under contract of sale – at acquisition (refer Note (a))	875,000	-
Add fair value loss (refer Note (b))	1,025,000	-
	1,900,000	-

(a) The above liability relates to the potential issue of ordinary shares in Swift Network Group Limited to the vendors of Swift Networks Pty Ltd and Wizzie TV Pty Ltd pursuant to the acquisition agreement.

Under the agreement, a total of 33,333,334 shares could be issued upon the satisfaction of the following milestones:

Milestone 1 – 16,666,667 Performance Shares

The earlier to occur of:

(i) the Company reaching 44,000 rooms with a revenue generating service from Swift Networks; and

(ii) the Company reaching consolidated revenue of $24,000,000 in any rolling 12 month period commencing after completion.

Milestone 2 – 16,666,667 Performance Shares

The earlier to occur of:

(i) the Company reaching 53,000 rooms with a revenue generating service from Swift Networks; and

(ii) the Company reaching consolidated revenue of $29,000,000 in any rolling 12 month period commencing after completion.

Significant Judgement

The Directors have assessed the likelihood of reaching these milestones as at the date of acquisition to be 20% for milestone 1 and 15% for milestone 2 at acquisition.

(b) The liability at acquisition is calculated based on the acquisition price of $0.15 per share. The amount payable at 30 June 2016 has been adjusted for the increase in share price of Swift Networks Group Limited from 15 cents to 20.5 cents at 30 June 2016 and the increased likelihood of the milestones noted above being reached to 30% and 25%. This resulted in a fair value loss of $1,025,000 in the period.

(c) The financial liability is a Level 3 financial instrument. The following table summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement:

Description	Fair Value at 30 June 2016	Unobservable inputs	Range of inputs	Relationship of inputs to fair value
Contingent consideration	1,900,000	Probability of achieving milestones disclosed above	Milestone 1: 30% Milestone 2: 25%	If the probability of achieving each milestone was 10% higher or lower, the fair value would increase/decrease by $662,500.

17. Issued Capital

	Consolidated	
	2016	2015
	$	$
Issued capital	28,727,663	19,677,822

Movements in Ordinary Share capital:

	2016 No.	2015 No.	2016 $	2015 $
At the beginning of the reporting period	16,158,387	4,720,594	19,677,822	17,211,882
Placements:				
- 27 March 2015	-	73,368	-	18,342
- 23 April 2015	-	4,647,226	-	1,161,807
- 19 May 2016	26,666,667	-	4,000,000	-
Conversion offer (30 April 2015)	-	4,744,548	-	1,186,137
Creditor offer (30 April 2015)	-	1,072,651	-	268,163
Broker offer (4 May 2015)	-	900,000	-	9,000
Swift Networks acquisition (19 May 2016)[1]	30,000,000	-	4,500,000	-
Adviser/broker offer (19 May 2016)	8,000,000	-	1,200,000[2]	-
Share issue costs	-	-	(439,559)	(177,509)
Share issue costs (issue of options – refer Note 19(ii))	-	-	(210,600)	-
At the end of the reporting period	80,825,054	16,158,387	28,727,663	19,677,822

[1] Refer to Note 21(b)

[2] Shares issued during the year were in consideration of services provided to the Company in connection with the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. The shares were issued at a normal price of $0.001 per share, being $8,000, with the difference recognised as a share based payment. Refer to Note 19(i) for further details.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, shall have one vote and upon a poll each share shall have one vote.

17. Issued Capital (continued)

Options

At 30 June 2016 there were 16,578,553 (2015: 9,440,000) options available for exercise.

Exercise price	20c	25c	15c
Expiry date	5 August 2016	30 April 2018	19 May 2021
Opening balance	-	9,440,000	-
Issued during the year	205,220	-	6,933,333[1]
Expired during the year	-	-	-
Exercised during the year	-	-	-
Closing balance	205,220	9,440,000	6,933,333

[1] Refer to Note 19(ii) for details of the issue.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell to reduce debt.

The Group would look to raise capital when an opportunity to make investments was seen as value adding relative to the current parent entity's share price at the time of the investment.

The Group is not subject to externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2015 Annual Financial Statement.

18. Reserves

	Consolidated	
	2016	**2015**
	$	**$**
Options reserve		
Opening balance	109,852	109,852
Options issued	540,800	-
Closing balance	650,652	109,852

Options reserve
The reserve is used to recognise the fair value of options granted.

During the year, 6,933,333 options exercisable at $0.15 were issued to the nominees of Boardroom Capital Pty Ltd, a related party of the Group and external brokers and advisers in connection to the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. Refer to Note 19(ii) for details regarding the issue.

19. Share Based Payments

(i) Share Issue

During the financial year ended 30 June 2016, $1,192,000 was recognised as a share based payment made in consideration of services provided to the Company in connection with the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. The shares issued were distributed to nominees of Boardroom Capital Pty Ltd as follows:

Recipient	Number of Shares	Value of share based payment
Carl Clump	693,333	$103,307
Xavier Kris	2,408,889	$358,925
Paul Doropoulos	2,128,889	$317,204
James Pearson	2,222,223	$331,111
Unrelated party	546,666	$81,453
Total	8,000,000	$1,192,000

The share based payment of $1,192,000 represents the difference between the share issue price of $0.15 per share and the nominal issue price of $0.001 per share.

The Company cannot estimate reliably the fair value of the services received, therefore have measured the services received and corresponding increase in equity, by reference to the fair value of the equity instruments granted, measured at the date the counterparty rendered the service.

(ii) Options Issued

During the financial year ended 30 June 2016, $330,200 was recognised as a share based payment made to the nominees of Boardroom Capital Pty Ltd and external brokers and advisers in consideration of services provided to the Company in connection with the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. The options were issued to the nominees of Boardroom Capital Pty Ltd and external brokers and advisers as follows:

Recipient	Number of Options	Value of Options issued
Carl Clump	260,000	$20,280
Xavier Kris	820,000	$63,960
Paul Doropoulos	715,000	$55,770
James Pearson	666,667	$52,000
External brokers and advisers	1,771,666	$138,190
Total	4,233,333	$330,200

A further 2,700,000 options valued at $210,600 were issued to brokers in connection with capital raising and included as share issue costs (refer to Note 17).

19. Share Based Payments (continued)

(ii) Options Issued (continued)

The fair value of these options granted was calculated as 7.8 cents each by using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price (cents)	0.15
Weighted average life of the options (years)	5
Weighted average underlying share price (cents)	0.15
Expected share price volatility	60%
Risk free-interest rate	2.13%
Grant date	19 May 2016

(iii) Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2016 **$**	**2015** **$**
Issue of shares (refer Note 19(i))	1,192,000	-
Issue of options (refer Note 19(ii))	330,200	-
	1,522,200	-

(iv) Additional disclosures

Summary of options granted as a share based payment:

	2016			**2015**		
	Average exercise price per share option	Number of options	Value of options $	Average exercise price per share option	Number of options	Value of options $
As at 1 July	-	-	-	-	-	-
Granted during the year	$0.15	4,233,333	$330,200			
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
As at 30 June	$0.15	4,233,333	$330,200	-	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise Price	Share options 30 June 2016	Share options 30 June 2015
19 May 2016	19 May 2021	$0.15	6,933,333	-
Total			6,933,333	-

Weighted average remaining contractual life of options outstanding at end of year	4.88 years	-

The options granted during the year are escrowed for 24 months from grant date. As at 30 June 2016, none of the above options have vested and are exercisable.

20. Accumulated losses

	2016 $	2015 $
Accumulated losses at beginning of financial year	(18,788,513)	(17,393,977)
Profit/(loss) after income tax expense for year	(5,249,924)	(1,394,536)
Accumulated losses at end of financial year	(24,038,437)	(18,788,513)

21. Cash flow Information

	Consolidated 2016 $	2015 $
(a) Reconciliation of loss after income tax to net cash flow from operating activities		
Operating profit / (loss) after income tax	(5,249,924)	(1,394,536)
Adjustments for:		
Non cash interest income	-	(2,121)
Director fees paid via issue of ordinary shares	-	184,964
Trade payables paid via issue of ordinary shares	-	83,199
Depreciation expenses and assets written-off	402,712	-
Net fair value movement of available-for-sale assets	53,663	156,246
Loss on sale of available-for-sale assets	132,267	-
Share based payments	1,522,200	-
Interest – recognised through issue of ordinary shares	-	6,137
Fair value loss on financial liability	1,025,000	-
	(2,114,082)	(966,111)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Trade and other receivables	650,569	(24,979)
Trade and other payables	820,729	(116,151)
Provisions	196,988	-
Inventory	(291,661)	-
Cash flow used in operations	(737,457)	(1,107,241)
(b) Non-cash financing and investing activities		
Issue of 30,000,000 shares at $0.15 upon the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd	4,500,000	-
Liability raised for the possible future issue of ordinary shares pursuant to the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd (refer to Note 16)	875,000	-
Share based payment via issue of shares to related parties for services in connection with the Swift Networks acquisition (refer Note 19 (i))	1,192,000	-

21. Cash flow Information (continued)

	2016 $	2015 $
(b) Non-cash financing and investing activities (continued)		
Share based payment via issue of options to brokers and advisers in relation to capital raising activities (refer Note 19 (ii))	210,600	-
	6,777,600	-

22. Segment information

Activities in the operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and area of income and expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis.

Following the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd in May 2016, management has determined that the Group has one operating segment being the provision of digital entertainment services in Australia. Prior to 19 May 2016 no reportable segments were identified. This segment meets aggregating criteria and are aggregated into one reporting sector. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing activities.

	2016 $	2015 $
Revenue from external sources	1,703,973	-
Reportable segment loss	(1,185,951)	-
Reportable segment assets	8,299,500	-
Reportable segment liabilities	(5,184,286)	-
Reconciliation of reportable segment loss		
Reportable segment loss	(1,185,951)	-
Other revenue	25,062	163,255
Unallocated:		
- Share based payments	(1,522,200)	-
- Fair value loss on financial liability	(1,025,000)	-
- Other	(1,636,915)	(1,557,791)
Loss before tax	(5,345,004)	(1,394,536)
Reconciliation of reportable segment assets		
Reportable segment assets	8,299,500	-
Unallocated:		
- Cash	2,729,634	484,420
- Receivables	146,537	43,354
- Other assets	178,426	622,187
- Property, plant and equipment	-	-
- Loan	-	-
Total assets	11,354,097	1,149,961
Reconciliation of reportable segment liabilities		
Reportable segment liabilities	(5,184,286)	-
Unallocated:		
- Trade and other payables	(829,933)	(150,800)
Total liabilities	(6,014,219)	(150,800)

23. Financial risk management

Introduction and overview

The Group activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Group is exposed are market risk, credit risk and liquidity risk.

Risk management framework

(a) Market risk

Market risk is analysed as market price risk, interest rate risk and currency risk.

(i) *Market price risk*

Market price risk is the risk that changes in market prices (other than changes due to currency or interest rate risk) will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures.

The investments are carried at fair value with changes in fair value recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income; all changes in market conditions will directly affect net investment.

As at balance date the exposure to market price risk related to financial instruments was considered to be immaterial.

(ii) *Interest rate risk*

Interest rate risk consists of cash flow interest rate risk (the risk that future cash flows of a financial instrument will vary due to changes in market interest rates) and fair value interest rate risk (the risk that the value of a financial instrument will vary due to changes in market interest rates).

Management of interest rate risk

Interest rate risk is the risk of financial loss and / or increased costs due to adverse movements in the values of the financial assets and liabilities as a result of changes in interest rates.

Exposure to interest rate risk

As at the reporting date the interest rate risk was considered to be immaterial.

(iii) *Currency risk*

Currency risk is the risk that the value of assets and liabilities denominated in a foreign currency will fluctuate due to adverse movements in exchange rates.

As at 30 June 2016, the Group has exposure to currency risk relating to an operating lease and contractual commitments denominated in $US. A 10% movement in exchange rate would not have a material impact for the Group.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Management of credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

23. Financial risk management (continued)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Consolidated	
	Credit Rating	2016	2015
Carrying amount		**$**	**$**
Cash and cash equivalents	A-	3,208,352	484,420
Trade and other receivables		1,610,720	-
		4,819,072	484,420

(Rating: Standard & Poor's)

	Consolidated	
	2016	2015
Carrying amount	**$**	**$**
Convertible note	-	300,000
	-	300,000

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A-.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Management of liquidity risk

The Group's policy is to ensure that, as far as possible, it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions.

Exposure to liquidity risk

As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

The following table sets out the carrying amounts, by maturity, of the financial instruments including exposure to interest rate risk:

23. Financial risk management (continued)

2016	Carrying amount $	Weighted average interest rate %	Maturity 6 months or less $	6-12 months $	1-2 years $	More than 2 years $
Consolidated						
Financial Assets						
Cash & cash equivalents	3,208,352	1.4%	3,208,352	-	-	-
Trade receivables	1,252,128	-	1,252,128	-	-	-
Other receivables	358,592	-	358,592	-	-	-
	4,819,072		4,819,072	-	-	-
Financial Liabilities						
Trade payables	1,732,276	-	1,732,276	-	-	-
Other payables & accruals	1,251,635	-	1,251,635	-	-	-
Loan	909,308	-	909,308	-	-	-
Financial liability	1,900,000	-	-	-	1,900,000	-
	5,793,219		3,893,219	-	1,900,000	-

2015	Carrying amount $	Weighted average interest rate %	Maturity 6 months or less $	6-12 months $	1-2 years $	More than 2 years $
Consolidated						
Financial Liabilities						
Trade payables	113,613	-	113,613	-	-	-
Other payables & accruals	37,187	-	37,187	-	-	-
	150,800		150,800	-	-	-

The Group maintains cash flow forecasts for the next 12 months on a rolling basis. This takes into consideration all projected debt payments.

(d) Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables and loans are repayable on demand, thus face value equates to fair value.

23. Financial risk management (continued)

(d) Fair value of financial assets and liabilities (continued)

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts of financial assets and liabilities equates to their fair values at balance date.

24. Parent Entity Disclosures

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

A. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Parent Entity 2016 $	2015 $
Net profit/(loss) attributable to equity holders of the Company		(4,063,973)	(1,394,536)
Movement in available-for-sale financial assets		-	-
Total comprehensive profit/(loss) for the year		(4,063,973)	(1,394,536)

B. STATEMENT OF FINANCIAL POSITION

	Parent Entity 2016 $	2015 $
ASSETS		
Total current assets	2,959,517	1,149,961
Total non-current assets	6,296,245	-
Total assets	9,255,762	1,149,961
LIABILITIES		
Total current liabilities	(829,933)	(150,800)
Total non-current liabilities	(1,900,000)	-
Total liabilities	(2,729,933)	(150,800)
Net assets	6,525,829	999,161
EQUITY		
Share Capital	28,727,663	19,677,822
Other Reserves	650,652	109,852
Accumulated losses	(22,852,486)	(18,788,513)
Total equity	6,525,829	999,161

25. Auditors' remuneration

	Consolidated	
	2016	**2015**
	$	**$**
Auditors of the Company		
Grant Thornton Audit Pty Ltd (ceased on 30/4/2015)		
Audit and review - subsidiaries and Group reports	-	24,045
BDO Audit (WA) Pty Ltd (appointed on 30/4/2015)		
Audit and review - subsidiaries and Group reports	64,964	19,570
Non-audit services provided	26,550	-
	91,514	43,615

26. Commitments for expenditure

	2016	**2015**
	$	**$**
Operating lease commitments		
Office Premises		
The Group leases office premises under an operating lease expiring in two years. Minimum commitments under the lease are as follows:		
Not later than 1 year	393,713	-
Later than 1 year and not later than 2 years	393,713	-
Later than 2 years and not later than 5 years	-	-
	787,426	-
Satellite content services		
The Group leases satellite content services under a lease expiring in July 2017. Minimum commitments are as follows:		
Not later than 1 year	1,186,000	-
Later than 1 year and not later than 2 years	138,000	-
Later than 2 years and not later than 5 years	-	-
	1,324,000	-

There are no other operating lease commitments.

27. Key management personnel compensation disclosures

Refer to Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's Key Management Personnel (KMP) for the year ended 30 June 2016.

	Consolidated	
	2016	**2015**
	$	**$**
Short-term employee benefits	682,763	408,906
Share based payments	1,302,556	-
Post-employment benefits	1,425	-
	1,986,744	408,906

28. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report of the directors' report.

Transactions with related parties

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

		2016 $	2015 $
(i)	Payments to NVNG Investments Pty Ltd, an entity in which Paul Doropoulos is a Director, representing interest charges for hard costs charged to NVNG Investments Pty Ltd as part of recapitalisation pursuant to the DOCA.	-	8,049
(ii)	Payments to BWD Advisory Pte Ltd, an entity in which Carl Clump is a Director, representing interest charges for funds advanced in relation to the DOCA.	-	6,140
(iii)	Payments made to Tri-Nation Pty Ltd, a company of which Xavier Kris is a Director, representing interest charges for funds advanced in relation to the DOCA.	-	6,207
(iv)	Payments made to Old Tudor Pty Ltd, a company of which James Pearson is a Director, representing interest charges for funds advanced in relation to the DOCA.	-	6,173
(v)	Payments made to Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a Director and Ryan Sofoulis is associated with, for provision of office premises, pursuant to operating lease.	44,202	-
	<u>Amounts outstanding at reporting date</u> Aggregates amount payable to Key Management Personnel and their related entities at reporting date.		
(i)	Payables	557,483	59,840
(ii)	Borrowings – refer to Note 15 for further details	909,308	-

No other transactions or loans existed during the year and as at reporting date between the Company and with key management personnel.

28. Related party transactions (continued)

Convertible notes from related parties

There were no convertible notes issued to directors and their related parties during the year:

	2016 $	2015 $
Opening balance	-	-
Convertible note funds advanced	-	350,000
Conversion of notes into ordinary shares at $0.25 per share	-	(350,000)
Closing balance	-	-
	-	-

No interest was payable on these notes.

Loans from related parties

The following funds were advanced to the Company from directors and their related parties during the year:

	2016 $	2015[1] $
Opening balance	-	-
Funds advanced to Administrator as deposit on execution of DOCA	-	202,132
Funds advanced to pay hard costs associated with the DOCA	-	159,780
Funds owed to Sentinel Gardens Pty Ltd, a related party of Ryan and Robert Sofoulis, by Wizzie TV Pty Ltd, upon the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd	1,309,308	-
Funds repaid to directors and related parties	(400,000)	(361,912)
Closing balance	909,308	-

[1] Interest of $26,569 was paid to directors and their related parties on the total funds advanced in year ended 30 June 2015.

29. Group entity

Ultimate parent entity

The ultimate parent entity in the wholly-owned Group is Swift Networks Group Limited.

Name of entity	Country of Residence / Establishment	Ownership Interest 2016 %	2015 %
Parent company			
Swift Networks Group Limited			
Controlled entities			
Swift Networks Pty Ltd	Australia	100	-
Wizzie TV Pty Ltd	Australia	100	-
Stanfield Funds Management Limited	Hong Kong	100	100
Stanfield (Redhill Apartments) Pty Ltd[1]	Australia	-	100
Stanfield (Wembley Oasis) Pty Ltd[1]	Australia	-	100
Easybookings (International) Pte Ltd[1]	Singapore	-	100

Of the controlled entities, only Swift Networks Pty Ltd and Wizzie TV Pty Ltd were operating during the financial year.

[1] Entity was de-registered on 7 August 2016.

30. Earnings per share

Basic earnings per share

	Consolidated 2016 $	2015 $
Net profit/(loss) from continuing operations for the year	(5,249,924)	(1,394,536)
	No.	**No.**
Weighted average number of ordinary shares for the purpose of basic earnings per share	23,579,152	6,718,212
Basic earnings / (loss) per share (cents)	(22.3)	(20.8)
Diluted earnings / (loss) per share (cents)	(22.3)	(20.8)

31. Business combination

(a) Summary of acquisition

On 19 May 2016, Swift Networks Group Limited acquired 100% of the issued share capital of Swift Networks Pty Ltd and Wizzie TV Pty Ltd. The Group has provisionally recognised the fair values of assets and liabilities based upon the best information available at reporting date.

Details of the purchase consideration and the net assets acquired are as follows:

Purchase Consideration (refer to (b) below):	$
Cash Paid	500,000
Ordinary Shares Issued	4,500,000
Further shares to be issued upon successfully meeting performance hurdles, pursuant to acquisition agreement (refer Note 16)	875,000
Total Purchase Consideration	**5,875,000**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value
	$
Cash	432,784
Inventory	178,793
Trade Debtors	2,083,888
Other Assets	315,717
Deferred Tax Assets	195,167
Plant and Equipment	1,786,606
Trade and Other Creditors	(463,934)
Liabilities Under Contracts	(650,556)
Other Liabilities	(940,707)
Loans	(1,309,308)
Net identifiable assets acquired	1,628,450
Add: Goodwill	4,246,550
Net assets acquired	**5,875,000**

(i) The goodwill is attributable to the forecast profitability of the acquired business. It will not be deductible for tax purposes.

(ii) The directors believe the receivables are fully recoverable and no provision for impairment is required.

(iii) Revenue of Swift Networks included in the consolidated revenue since acquisition date on 19 May 2016 was $1,703,973. Losses of $1,185,951 were incurred by Swift Networks in the period 19 May 2016 to 30 June 2016, including initial business review and restructure costs of approximately $698,000.

(iv) Included within administration expenses in the consolidated statement of profit or loss and other comprehensive income are acquisition relates costs of $60,000, mainly professional fees.

(v) If the acquisition had occurred on 1 July 2015, consolidated revenue and consolidated loss after tax for the year ended 30 June 2016 would have been $13,670,662 and $5,776,446 respectively.

31. Business combination (continued)

(b) Purchase Consideration – Cash Outflow

	Fair Value $
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	500,000
Less: cash acquired	(432,784)
Outflow of cash – investing activities	**67,216**

32. Contingencies

There are no contingent assets or contingent liabilities as at 30 June 2016.

33. Events subsequent to reporting date

Since 30 June 2016 the following significant changes have occurred:

a) On 28 July the Company announced that they had won a material contract with Rio Tinto provide its services to 420 new rooms at Jerriwah Village.

b) On 9 September the Company announced that they had won a material multi-year contract with Compass Group to provide a range of upgrades and ongoing telecommunication services to 800 rooms at Gateway Village in Port Hedland.

c) On 14 September the Company announced that they had won multiple new contracts to provide entertainment and connectivity services to over 1,600 rooms across Australia.

There are no other matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

34. Company details

The registered office and principal place of business of the Company is:
Swift Networks Group Limited
1 Watts Place
BENTLEY WA 6102
Australia

Directors' declaration

The Directors of the Company declare that:

the financial statements and notes, as set out on pages 30 to 68 are in accordance with the *Corporations Act 2001* and:

a. comply with Accounting Standards, which as stated in accounting policy Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the consolidated Group;

c. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

d. the financial statements and notes for the financial year comply with the Accounting Standards; and

e. the financial statements and notes for the financial year give a true and fair view;

in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable as disclosed in Note 2 to the financial statements.

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

Chairman
Carl Clump

Dated this 23rd day of September 2016

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Swift Networks Group Limited

Report on the Financial Report

We have audited the accompanying financial report of Swift Networks Group Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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 about 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 judgement, 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 company's preparation of the financial report that gives a true and fair view 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 company'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 Swift Networks Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Swift Networks Group Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 26 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Swift Networks Group Limited for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 23 September 2016

Shareholder information

A. Substantial Shareholders

The following have a relevant interest (>5%) in the capital of Swift Networks Group Limited as at 5 September 2016

Substantial ordinary shareholders	No. of ordinary shares held	Percentage held of Issued Ordinary Capital
MR ROBERT NICHOLAS SOFOULIS & RELATED ENTITIES	30,120,000	37.40%

B. Distribution of Equity Securities

(i) Analysis of numbers of equity security holders by size of holding as at 5 September 2016.

			Ordinary Shares	
Category (Size of Holdings)			Number of Holders	Unlisted Options
1	-	1,000	478	-
1,001	-	5,000	77	-
5,001	-	10,000	46	-
10,001	-	100,000	288	15
100,001	-	and over	105	28
			994	43

(ii) There were 508 holders of less than a marketable parcel of ordinary shares.

Shareholder information

C. Equity Security Holders

Twenty largest quoted equity security holders (5 September 2016)

	Ordinary shares	
	Number held	**Percentage of issued shares**
SOFOULIS HOLDINGS PTY LTD <THE SOFOULIS FAMILY A/C>	30,000,000	37.12
SUETONE PTY LTD <THE A K SHADFORTH FAMILY A/C>	2,550,000	3.16
TRI-NATION HOLDINGS PTY LTD <KRIS FAMILY A/C>	2,408,889	2.98
JAMES FLORIAN PEARSON <PEARSON FAMILY A/C>	2,222,223	2.75
PAUL DOROPOULOS	2,128,889	2.63
JOHN COLIN & SUSAN MARJORY LOOSEMORE <LOOSEMORE SUPER FUND A/C>	1,400,000	1.73
OLDTUDOR HOLDINGS PTY LTD	939,969	1.16
SHARIC SUPERANNUATION PTY LTD <FARRIS SUPER FUND A/C>	908,000	1.12
TRI-NATION HOLDINGS PTY LTD <KRIS FAMILY A/C>	825,572	1.02
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	800,000	0.99
MR JASON PETERSON & MRS LISA PETERSON <J & L PETERSON S/F A/C>	793,887	0.98
BWD ADVISORY PTE LTD	693,333	0.86
BURRWOOD INVESTMENTS PTY LTD <BURRWOOD INVESTMENTS A/C>	678,000	0.84
ELLENKAY PTY LTD <ELLENKAY P/L STAFF S/F A/C>	640,975	0.79
SKYLINE ENTERTAINMENT HOLDINGS LIMITED	625,000	0.77
KIM WALKER	546,666	0.68
MR GEORGE STEPHEN PEMBERTON	501,026	0.62
J CLASS PTY LTD <THE CANADA SUPER FUND A/C>	400,000	0.49
BOTSIS HOLDINGS PTY LTD	400,000	0.49
MR XAVIER JEAN ROBERT KRIS	346,372	0.43
RIVERGLEN NOMINEES PTY LTD <BAIN FAMILY NO 2 A/C>	330,000	0.41
TOTAL	**50,138,801**	**62.03**

D. Voting Rights

The voting rights, upon a poll, are one vote for each share held.

E. Unquoted securities

Securities	Number of Options	Number of Holders	Holders with more than 20%
Options exercisable at $0.25 on or before 30 April 2018	9,440,000	19	1
Options exercisable at $0.15 on or before 19 May 2019	6,933,333	24	1
Class A Performance Shares	16,666,667	1	1
Class B Performance Shares	16,666,667	1	1

Shareholder information

Details of Performance Shares

Each Performance Shares converts to one (1) fully paid ordinary share upon satisfaction of the relevant milestone on or before 15 November 2020. The milestones in relation to the Performance Shares are:

Milestone 1 – 16,666,667 Performance Shares

The earlier to occur of:

(i) the Company reaching 44,000 rooms with a revenue generating service from Swift Networks; and

(ii) the Company reaching consolidated revenue of $24,000,000 in any rolling 12 month period commencing after completion.

Milestone 2 – 16,666,667 Performance Shares

The earlier to occur of:

(i) the Company reaching 53,000 rooms with a revenue generating service from Swift Networks; and

(ii) the Company reaching consolidated revenue of $29,000,000 in any rolling 12 month period commencing after completion.

No Performance Shares were converted or cancelled during the period.

No performance milestones were met during the period.

F. On-market buyback

There is no current on-market buy-back

G. Statement in relation to Listing Rule 4.10.19

The Directors of Swift Networks Group confirm in accordance with ASX Listing Rule 4.10.19 that during the period from reinstatement to official quotation to 30 June 2016, the Company has used its cash, and assets that are readily convertible to cash, in a way consistent with its business objectives.

H. Stock Exchange listing

Quotation has been granted for the Company's Ordinary Shares.

I. Securities subject to escrow

The following securities are currently subject to escrow:

Securities	Escrow Period	Release Date	Number
Fully Paid Shares	24 months from quotation	1 June 2018	38,000,000
Unlisted Options, 15c, exp 19 May 2019	24 months from quotation	1 June 2018	6,933,333
Class A Performance Shares	24 months from quotation	1 June 2018	16,666,667
Class B Performance Shares	24 months from quotation	1 June 2018	16,666,667

Corporate Directory

Directors

Carl Clump
Chairman

Xavier Kris
Chief Executive Officer

Paul Doropoulos
Chief Financial Officer

Robert Sofoulis
Non-Executive Director

Ryan Sofoulis
Executive Director

Company Secretary

Stephen Hewitt-Dutton

Corporate Details

Swift Networks Group Limited
ACN: 006 222 395
ABN: 54 006 222 395

Registered Office

1 Watts Place
BENTLEY WA 6102

Telephone: +61 8 6103 7595
Facsimile: +61 8 6103 7594

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Bankers

Bank of Queensland Ltd
SH 24 Floreat Forum
S/Centre Floreat
WA 6014

Commonwealth Bank of Australia
Level 14b
300 Murray Street
PERTH WA 6000

Share Registry

Automic Registry Services
Level 1
7 Ventnor Avenue
WEST PERTH WA 6005
PO Box 223, West Perth WA 6872
T: 1300 288 664
F: +61 8 9321 2337
E : info@automic.com.au

Stock Exchange Listings

The ordinary shares of Swift Networks Group Limited are listed on the Australian Stock Exchange (Code: SW1)