2013

BEYOND INTERNATIONAL

ANNUAL REPORT

MythBusters

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2013

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ANNUAL REPORT

CHAIRMAN'S REPORT

On behalf of the Directors of Beyond International Ltd (ASX code BYI) I am pleased to comment on the Company's progress and trading results for the financial year ending 30th June 2013.

Overall the Company met its profit guidance despite difficult trading conditions in all our markets, a volatile Australian dollar and significant variations to budget between the four operating divisions.

The Company's improved profitability was again primarily due to the strong performance of both the TV production/copyright division and the tv distribution division, although the home entertainment division also performed very well and completed a large part of its internal reorganisation and cost reduction plan.

The BeyondD division significantly underperformed against budget and has been the focus of senior management attention throughout the year. The Board is concerned about the financial performance to date of BeyondD and expects to see a return to profitability in the first half of 2013-14 financial year.

The Directors and Management are aware of the continuing difficulties and weaknesses in all our major markets, particularly the European Union, North America and Australia. We have well established trading relationships developed over 25 years in all these markets through our offices in London, Dublin and San Francisco.

We expect continued currency volatility but are generally more optimistic about industry trends than we were this time last year. Approximately 36% of Beyond's total revenue is denominated in $US or €. This is heavily concentrated and a much higher percentage of divisional revenue in the tv production/copyright and tv distribution divisions.

Table 1 is a summary of some key performance indicators of Beyond over the last 10 years and is intended to assist shareholders to put annual results in perspective. Mr. Mikael Borglund, deals with the operational results for each of the divisions in detail in the Managing Director's Report.

The Directors have announced a final dividend of 4 cents per share (unfranked) payable on 18th October 2013 to all shareholders registered on 20th September 2013.

This increases the total dividends paid this year to 7 cents per share compared with 6 cents per share in the previous year. We currently expect to maintain this dividend in the 2013-14 year. The dividend history of Beyond is part of Table 1 attached.

The Company has not been aggressively seeking acquisitions although it has assessed a number of opportunities in 2012-13. This activity is co-ordinated by a small senior management team and the finance committee with the final decision reserved for the Board of Directors. It is very difficult to anticipate the likelihood or size of future acquisitions, which are usually opportunistic however the Directors believe Beyond, is financially capable of absorbing a major cash based acquisition.

The Directors wish to thank all the individuals who have contributed to another successful year for Beyond. We are very aware of the various challenges that dealing in multiple time zones with offices in different countries impose and are always impressed by the level of commitment and courtesy that exists within all parts of the Company.

For and on behalf of the Board of Directors,

Ian Ingram.

London Office.
20th September 2013.

BEYOND INTERNATIONAL LIMITED TEN YEAR RESULTS

	EBIT 000'S	NET PROFIT 000'S	EPS (CENTS PER SHARE)	NTA PER SHARE	TOTAL EQUITY 000'S	RETURN ON EQUITY	DIVIDENDS (CENTS PER SHARE)
2004	4,146	2,114	3.56	36.06	21,515	9.83%	-
2005	3,984	2,541	4.28	40.35	23,967	10.60%	-
2006	4,818	3,100	5.26	41.32	26,702	11.61%	3.00
2007	6,524	4,340	7.27	45.61	28,705	15.12%	4.00
2008	7,483	4,992	8.36	43.03	28,220	17.69%	5.00
2009	5,047	4,280	7.28	42.40	28,964	14.78%	5.00
2010	6,205	4,939	8.40	42.63	30,384	16.26%	6.00
2011	8,178	5,099	8.67	45.22	31,377	16.25%	6.00
2012	10,190	8,463	14.39	48.33	36,249	23.35%	6.00
2013	10,841	9,273	15.77	59.00	42,074	22.04%	7.00


Selling Houses

MANAGING DIRECTOR'S REPORT

1. FINANCIAL PERFORMANCE FOR THE 12-MONTH PERIOD TO 30TH JUNE 2013

- Revenue increased by 13.3% to $102,673,000 from $90,611,000;
- Net profit increased by 9.6% to $9,273,000 from $8,463,000;
- EPS increased by 9.6% to 15.77 cents from 14.39 cents;
- Net cash provided by operating activities increased by 19.3% to $10,868,000 from $9,108,000;
- Cash balances increased by 77% from $5,725,000 to $10,126,000;
- The total dividend per share has been increased by 16.7% to 7 cents per share from 6 cents per share.

	FY 13 $ 000'S	FY 12 $ 000'S	VARIANCE $ $ 000'S	VARIANCE %
Revenue	102,673	90,611	12,062	13.3%
Expense	(91,832)	(80,421)	(11,411)	14.2%
EBIT	**10,841**	**10,190**	**651**	**6.4%**
Net Interest	111	78	33	42.31%
Operating Profit Before Tax	10,952	10,268	684	6.7%
Non-operational Items Impairment Charge	(650)	-	(650)	
Reversal of Earnout Provision	300	-	300	
Tax Expense	(1,121)	(1,619)	498	-30.8%
PROFIT AFTER TAX	**9,481**	**8,649**	**832**	**9.6%**
NCI	(208)	(186)	(22)	11.8%
NET PROFIT	**9,273**	**8,463**	**810**	**9.6%**
EPS (CENTS PER SHARE)	**15.77**	**14.39**	**1.38**	**9.6%**
DIVIDENDS PER SHARE (CENTS)	**7.00**	**6.00**	**1.00**	**16.7%**
NTA	**59.00**	**48.33**	**10.67**	**22.1%**

2. REVIEW OF FINANCIAL YEAR

During the current financial year there were four segments that operated for the full 12-month period. Below is an analysis of the performance of the segments in the 2013 financial year compared to 2012:

REVENUE

	2013 $ 000'S	2012 $ 000'S	VAR $ 000'S	VAR %
Productions & Copyright	45,297	41,178	4,119	10.00%
Home Entertainment	23,045	27,781	(4,736)	-17.05%
Distribution	22,686	18,455	4,231	22.93%
Digital Marketing	11,622	3,213	8,409	261.72%
Corporate	23	(16)	39	243.75%
TOTAL REVENUE	**102,673**	**90,611**	**12,062**	**13.31%**

OPERATING EBIT*

	2013	2012	VAR	VAR %
Productions & Copyright	11,657	11,241	416	3.70%
Home Entertainment	2,386	2,662	(276)	-10.37%
Distribution	2,892	1,912	980	51.25%
Digital Marketing	(49)	(8)	(41)	-512.50%
Corporate	(5,849)	(5,587)	(262)	-4.69%
Foreign Exchange Gain / (Loss)	(196)	(30)	(166)	-553.33%
EBIT	**10,841**	**10,190**	**651**	**6.38%**

* Excluding one-off items including impairment charge ($650,000) & the write back of earn out provision 300,000

Hoopla Doopla

TELEVISION PRODUCTION AND COPYRIGHT SEGMENT

Revenue from television program production increased by 10% to $45,297,000 from $41,178,000.

Revenue from exploitation of the finished programs increased by 19% to $6,960,000 from $5,842,000.

EBIT increased by 4% to $11,657,000 from $11,241,000.

During the past financial year the company commenced production on over 250 hours of television programming across 20 titles.
Of this total over 100 hours were commissioned by US broadcasters – and these programs are of an average higher per hour $ value than the Australian productions. Over 53% of production revenues are generated outside of Australia (51% 2012).

The television series produced for the US market during the year include *Mythbusters* (series 9), *Forbidden* (series 1), *Behind Mansion Walls* (series 3), and *Deadly Women* (series 7).

Australian commissioned production includes *Selling Houses* (series 7), *Pipsqueaks* (series 2), *Whitlam – The Power and the Passion* and the *Tour Down Under.*

Beyond also commenced production on a major children's series (*Hoopla Doopla*) that is being filmed in Beijing for the Chinese broadcaster CCTV and the ABC in Australia.

A number of new programs have been developed during the period for both the domestic and US market and will go into production in the 2014 financial year.

HOME ENTERTAINMENT SEGMENT (BHE)

Revenue decreased by 17% to $23,045,000 from $27,781,000.

The EBIT decreased by 10% to $2,386,000 compared to $2,662,000 in the 2012 year.

The gross margin improved by approximately 2% points due to a more profitable product sales mix and improved sales price.

Operating costs have been reduced by 11% – reflecting savings in all areas of the business.

The company has responded to volatile market conditions by outsourcing product assembly and product distribution. This has resulted in a reduction in headcount by 47% to a total of thirty-two people. The financial benefit of this restructure will be partly realised in the 2014 financial year with the full impact occurring in the 2015 financial year.

The decline in revenue is due to the loss of the Entertainment One sales and distribution contract that was a major content provider to BHE in the prior year. In addition the overall physical DVD market contracted 8% during the period under review.

In 2013 BHE performed strongly within its strategic market categories. The business continues to gain market share in its target genres and as at 30th June holds: -

• Number one market share in stand-up comedy;

• Number one market share in sport (up from #2 last year);

• Number two market share in children's;

• Number two market share in factual television;

• Number three market share in documentary content.

Across the total Australian home entertainment market for the year, BHE's market share was 3.8% down from 4% in the prior year. The market leader holds approximately 19.4% share.

BHE was successful in expanding its sports business by securing long-term agreements with Ultimate Fighting Championship (UFC), National Rugby League (NRL), V8 Supercars and the A-League.

Market-leading content producers The Pokemon Company, MTV Networks, IMPS (Smurfs), Jim Henson Company and NBA Properties also delivered successful content in 2013.

The AETN International catalogue, owners of the History, Bio and Crime & Investigation Network television brands continue to perform well.

BHE maintains a long-term home output deal with global factual programming leader Discovery Communications, who continue to provide world-class content with broad appeal.

The Company also exploits its content via digital distribution. Revenues from digital customers grew 76% in 2013. The growth has been predominantly through iTunes however the division continues to identify new opportunities to distribute its content through all local digital platforms to complement its physical media business.

Pokemon

DISTRIBUTION TV AND FILM SEGMENT (BEYOND DISTRIBUTION)

Revenue has increased 23% to $22,686,000 from $18,455,000.

EBIT increased by 51% to $2,892,000 from $1,912,000.

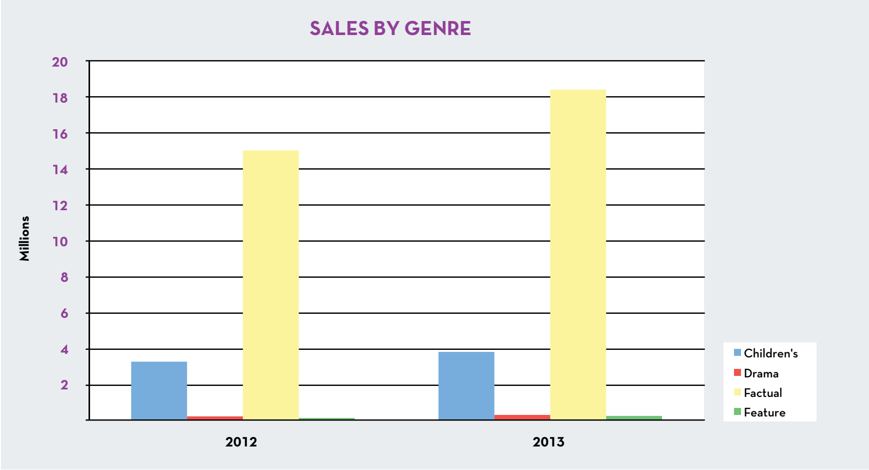
The contribution margin improved by 2 percentage points and operating costs remained static over the period.

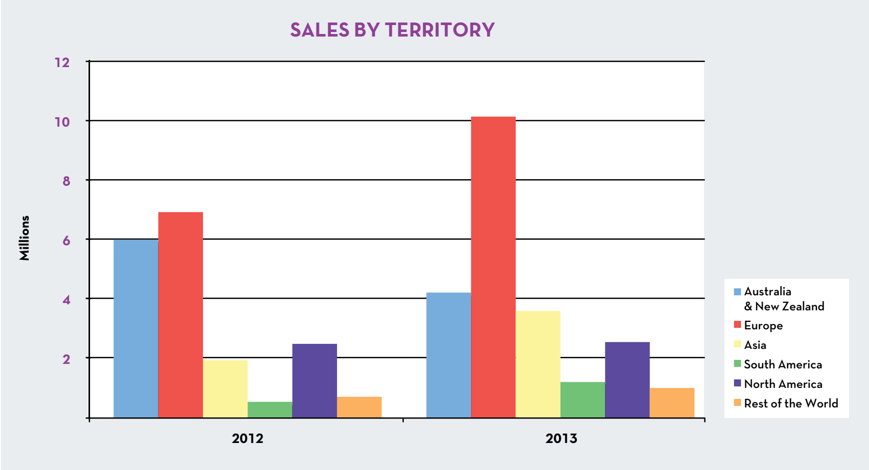
As a % of total revenue the contribution of product sourced from third party producers increased from 34% in 2012 to 37% in the current year with revenue from internal product declining slightly from 65% to 62%. The company is continuing to focus on growing sales by sourcing product externally to supplement the product originating from the production activities of the internal production units.

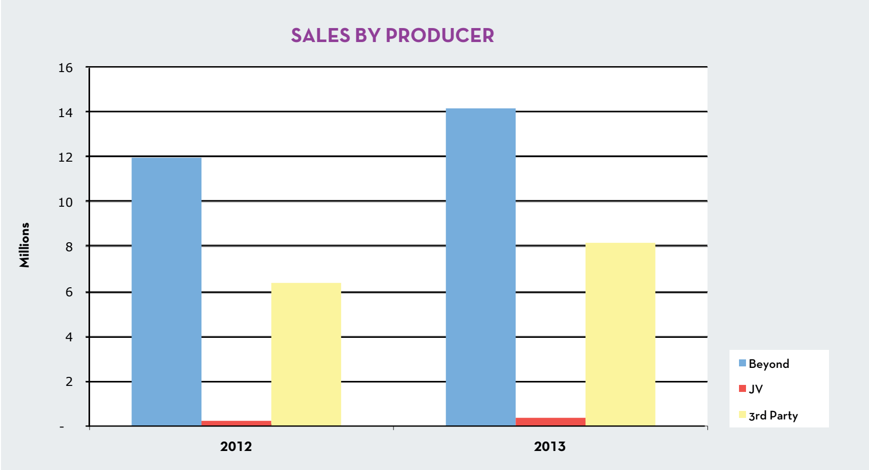
During the year successful series produced in house include *Mythbusters, History Hunters, Deadly Women, Lab Rats Challenge* and *Toybox.*

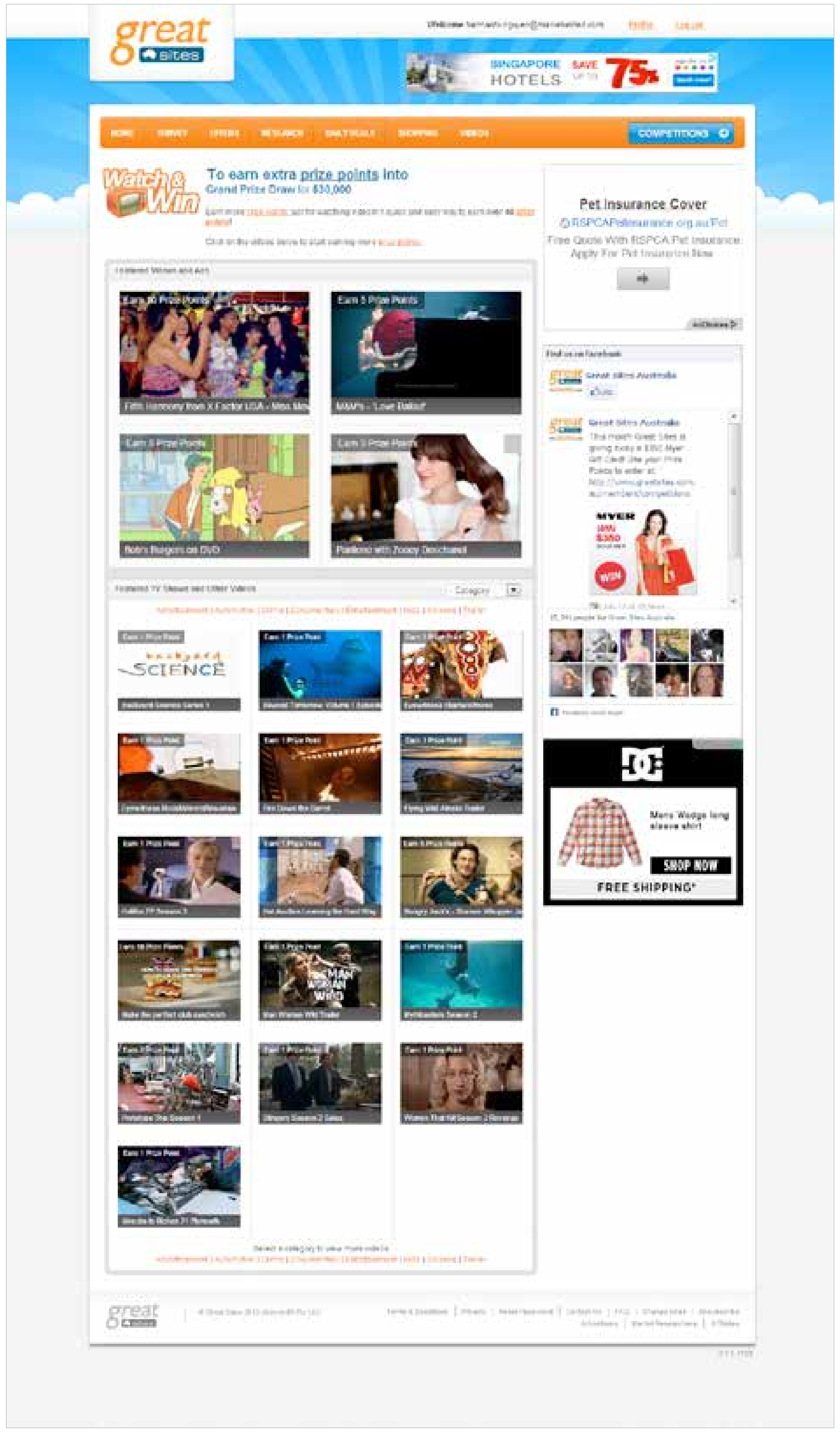
The most successful third party products were *Highway Thru Hell, Love It Or List It, Fatal Vows* and *BBQ Crawl.*

The senior management of Beyond Distribution are based in Dublin and London – this is critical to the operation of the business as 80% of sales are generated outside of Australia – and most acquired product is sourced from the UK, Canada and New Zealand.









Great Sites

DIGITAL DIVISION (BEYONDD)

Revenue for the year is $11,622,000.

The EBIT is a loss of $49,000 (before impairment charge and release of provision). This was significantly below budget and consequently an impairment charge of $650,000 was booked in the financial year against the carrying value of the businesses' goodwill. When the business was acquired in 2012 a deferred consideration provision of $300,000 was booked. Based on the actual EBIT performance for the year no actual performance payment was payable and the provision was reversed.

BeyondD, the digital marketing division of Beyond consisting of digital agency FIRST and digital media business 3Di has completed its first full year of operation as part of the Beyond Group.

Due to the disappointing financial result a number of management changes and cost reductions have been implemented which have resulted in annualized overhead cost savings of approximately $550,000.

BeyondD is undertaking a number of initiatives to increase its digital inventory and publisher partnerships; these include the development of new technology and new digital assets, as well as exploring a number of overseas markets.

BeyondD is also working closely with Beyond Home Entertainment and Beyond Distribution to enhance their current operations through the development and deployment of new digital capabilities as well as assisting the Group develop business strategies that will fully exploit digital opportunities over the coming years.

The digital industry continues to experience strong growth and following a difficult year the business is better positioned to capitalize on the strong demand for targeted digital media and marketing services.

3. FOREIGN EXCHANGE – IMPACT ON GROUP RESULTS

The company has significant exposure to foreign exchange fluctuations in the television production and distribution operating segments with 34% of total group revenues denominated in US$ (32% in the previous year).

In the normal course the company hedges production contracts denominated in US$. Foreign currency contracts entered into by the distribution segment are generally not hedged.

The total foreign exchange loss for the twelve-month period is $195,958 (2012: loss of $29,682). This loss is comprised of the following items:

ITEM	JUNE 2013	JUNE 2012
Realised FX Gain/(Loss).	$9,096	($29,468)
Unrealised Gain	$434,171	$97,485
Mark to market revaluation of Currency Hedges.*	($639,225)	($97,699)
Gain /(Loss)		
NET TOTAL GAIN / (LOSS)	**($195,958)**	**($29,682)**

* The Australian dollar expense component of US dollar denominated production contracts are hedged when the contracts are entered into.

The exchange rate has been very volatile over the past twelve months – with the Australian dollar devaluing following a sustained period of strengthening.

4. DIVIDEND

A 3-cent (unfranked) Final Dividend per share for 2012 was paid on the 19th October 2012.

The 2013 Interim Dividend of 3 cents per share (unfranked) was paid on the 2nd April 2013.

The Directors have decided to increase the Final Dividend to 4 cents per share (unfranked) for the year ended 30 June 2013. This will increase the total dividend for 2013 to 7 cents per share from 6 cents per share.

Shareholders registered on the books on 20th September 2013 will be entitled to this dividend, which will be paid on 18th October 2013.

5. CONCLUSION

The Beyond International Group of companies delivered another strong result for the 12 months to the 30th June 2013 despite a difficult global economic climate.

All four operating segments are facing competitive pressures and technological challenges. The television production and distribution segments operate in an international environment and are subject to economic fluctuations that occur in the different markets in which they operate. Although the company has successfully traded in these markets for over twenty years it is difficult to predict how these various economies will perform over the short term.

Beyond has continued to strengthen its balance sheet to ensure the company is positioned to create and acquire media content that will be exploited through both traditional media outlets and new delivery platforms.

Over the next twelve months the Company's focus will be to further strengthen the financial performance in all operating segments of the Group in order to generate surplus cash to pay dividends, invest in working capital, and new content. Beyond is also actively seeking and assessing strategic acquisition opportunities in the digital media sector.

Mikael Borglund
CEO and Managing Director
Beyond International Limited.
27/8/13

Smurfs

CORPORATE GOVERNANCE STATEMENT

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

ABN 65 003 174 409

Corporate Governance Statement 2013

Beyond International Limited and its Controlled Entities ("Consolidated Entity") and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. A review of the Consolidated Entity's corporate governance framework was completed in light of the 2nd edition of the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles issued in August 2007, including the 2010 amendments). The Consolidated Entity's framework is largely consistent with the recommendations.

A description of the Consolidated Entity's corporate governance practices is set out below. They follow the eight core principles that the ASX Corporate Governance Council believes underlie good corporate governance. All these practices, unless otherwise stated, were in place for the entire financial year ended 30 June 2013.

History Hunters

1. THE BOARD LAYS SOLID FOUNDATION FOR MANAGEMENT AND OVERSIGHT

The Directors are committed to the principles underpinning best practice in Corporate Governance, applied in a manner that is most suited to the Consolidated Entity. This is supported by an overriding organisation-wide commitment to the highest standards of legislative compliance and ethical behaviour.

The Directors' overriding objective is to increase shareholder value within an appropriate framework which protects the rights and interests of shareholders and ensures the Consolidated Entity is properly managed through the implementation of sound strategies and action plans and the development of an integrated framework of controls over the Consolidated Entity's resources.

The Board has adopted a formal charter that sets out it's responsibilities and is available on the Consolidated Entity's website. Directors are provided with a formal job description and a letter of appointment describing their terms of office, duties, rights and responsibilities and entitlements on termination. The function of the Board of Directors is separate from Senior Executives and has been clearly defined and includes responsibilities for:

• Approval of corporate strategies and the annual budget;

• Monitoring financial performance including approval of the annual and half year financial statements and liaison with the Consolidated Entity's auditors;

• Appointment of, and assessment of the performance of the Managing Director;

• Monitoring managerial performance of Senior Executives; and

• Ensuring the significant risks facing the Consolidated Entity have been identified, and appropriate and adequate control monitoring and reporting mechanisms are in place.

Management's role is to manage the Consolidated Entity in accordance with the direction and delegations of the Board.

Senior Executives and other senior managers are provided with a formal job description and a letter of appointment describing their terms of office, duties, rights and responsibilities and entitlements on termination. There is an induction process managed by Human Resources. Senior Executives are subject to performance review on an annual basis, with performance being measured against qualitative and quantitative key performance indicators that are aligned with the financial and non-financial objectives of the Consolidated Entity. An evaluation was undertaken in the reporting period and was in accordance with the Consolidated Entity's policy.

2. THE BOARD IS STRUCTURED TO ADD VALUE

THE BOARD OF DIRECTORS

The Board operates in accordance with the following principles:

• A majority of the Board are independent Directors. The Board comprises of Executive and Non-Executive Directors. At the date of signing the Directors' Report, the Board consisted of three Non-Executive Directors' and one Executive Director.

• The Chairman is a Non-Executive Director and is not the Managing Director.

• Each Director brings relevant complementary skills and experience to the Board.

• The Board is responsible for reviewing the compensation arrangements for the Managing Director and other Senior Executives. The Directors are also responsible for reviewing management incentive schemes, share option schemes, superannuation, retirement and termination entitlements, fringe benefit policies and professional indemnity and liability insurance policies.

Details of the Directors, their term of office, their skills, qualifications, experience and expertise are detailed in the Directors' Report.

EXECUTIVE DIRECTORS

The individual performance of the Executive Director is reviewed by the Board of Directors on an annual basis.

NON-EXECUTIVE DIRECTORS

The individual performance of Non-Executive Directors is reviewed by the Chairman on an annual basis. All Non-Executive Directors are regarded as independent. The Consolidated Entity defines independent as independent of the executive management and of business or other relationships that could otherwise detract from the Directors' ability to act impartially in the Consolidated Entity's best interests.

The Board considers Mr Ian Robertson, who is the Managing Partner of the Sydney office of law firm Holding Redlich, whom the Consolidated Entity occasionally engage to provide legal services, to be independent and non-executive. The Board has determined this as Mr Robertson does not himself provide legal advice to the Consolidated Entity, nor is he the supervising partner in matters between Holding Redlich and the Consolidated Entity. Thus, it is the Board's view that Mr Ian Robertson is free from any interest, which could, or could reasonably be perceived to, materially interfere with his ability to act with a view to the best interest of the Consolidated Entity. Information on related parties can be found in Note 27 to the financial statements.

INDEPENDENT PROFESSIONAL ADVICE

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Consolidated Entity's expense. Prior written approval of the Chairman is required, but this is not unreasonably withheld.

NOMINATION COMMITTEE

The Board has established a Nomination Committee attended by all Directors (Chairman: Mr Ian Ingram). Details on attendance of members at meetings of the committee can be found in the Directors' Report.

The primary objective of the Nomination Committee is to review the membership of the Board having regard to present and future needs of the Consolidated Entity and to make recommendations on Board composition and appointments.

The Nomination Committee is responsible for:

- Annually reviewing the Board's role, the processes of the Board and Board Committees, the Board's performance and each Director's performance;
- Identifying, and recommending to the Board, nominees for membership of the Board, including the Managing Director and re-election of incumbent Directors;
- Identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- Ensuring succession plans are in place, as well as considering diversity in succession planning in order to maintain an appropriate balance of skills on the Board and reviewing those plans; and
- If appropriate, recommending the removal of Directors.

The Nomination Committee oversees the process for selecting and appointing new Directors. As part of this process, the Nomination Committee considers the potential Director's suitability against a range of criteria including whether the potential Director:

- Has the necessary skills, experience and knowledge to perform their duties and responsibilities as a Director;
- Is able to devote the time necessary to perform their duties and responsibilities;
- Is sufficiently independent; and
- Is able to work with the other members of the Board.

The Consolidated Entity has not met 2.4 and 2.6 of the Corporate Governance Council's recommendations of having a formal charter for the Nomination Committee, and to the extent that this charter be published on the Consolidated Entity's website. This is due to the size of the Board. However, the members of the Committee are given terms of reference that clearly set out its roles and responsibilities and membership requirements.

The Constitution of the Consolidated Entity specifies that one third of the Directors for the time being (except the Managing Director), or if their number is not a multiple of three, then the number nearest to but not more than one third, retire at the conclusion of each Annual General Meeting, and each Director (except the Managing Director) must retire from office at the conclusion of the third Annual General Meeting after the Director was elected, even if his or her retirement results in more than one-third of all Directors retiring from office. A retiring Director remains in office until the end of the meeting and is eligible for re-election at the meeting.

BOARD PERFORMANCE REVIEW

The performance of the Board is reviewed regularly. This review includes the following assessments:

- Whether the Directors have worked together effectively;
- Whether the Directors have the necessary skills, experience and knowledge to perform their duties; and
- Whether the Board and Board Committees could more effectively review key business and strategic issues.

The performance review will be conducted by the Chairman of the Board. The finding will be discussed with individual Directors and the Board as a whole and the Board will then formally adopt the recommendations. The Board, as a whole, decides the appointment or the removal of the Company Secretary. The Board monitors the Company Secretary. The Company Secretary has been appointed as the person responsible for communications and is accountable to the Board, through the Chair, on all governance matters.

3. THE BOARD PROMOTES ETHICAL AND RESPONSIBLE DECISION-MAKING

CODE OF CONDUCT

The Consolidated Entity has an established Code of Conduct that guides Directors, the Managing Director and other Key Executives to:

- The practices necessary to maintain confidence in the Consolidated Entity's integrity;
- The practices necessary to take into account their legal obligations and the reasonable expectations of their shareholders; and
- The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Key issues addressed in the Code of Conduct are:

- The responsibility to serve and protect the long-term interests of its shareholders and investors;
- Ensuring regulatory compliance including financial disclosure to shareholders and other investors;
- The responsibility to meet employment laws and regulations, and respect the privacy of employee information; and
- Ensuring the Consolidated Entity acts honestly and fairly in all of its dealings.

It is expected that Senior Executives and other employees will report promptly, and in good faith, any actual or suspected violation of the standards set out in the Code of Conduct. Employees are made aware of the Code of Conduct upon their employment and it is published on the internal website.

DIVERSITY POLICY

The Consolidated Entity has adopted a Diversity Policy that outlines the objectives in relation to gender, age, cultural background and ethnicity. The policy considers the benefits of diversity, ways to promote a culture of diversity, factors to be taken into account in the selection process of candidates for Board and senior management positions in the company, education programs to develop skills and experience in preparation for Board and senior management positions, processes to include review and appointment of directors and identify key measurable diversity performance objectives for the Board and senior management.

The Diversity Policy is available on the company's internal website.

The Board of Directors does not contain any women members, however gender diversity exists within the Group, as shown by the proportion of women employees in the consolidated entity as at 30 June 2013:

Women in senior management positions 39%

Women in the organisation 49%

4. THE BOARD SAFEGUARDS INTEGRITY IN FINANCIAL REPORTING

MANAGING DIRECTOR AND GENERAL MANAGER OF FINANCE DECLARATION

The Managing Director and General Manager of Finance declare that the Consolidated Entity's financial report presents a true and fair view, in all material aspects, of the Consolidated Entity's financial condition and operational results, and are in accordance with relevant accounting standards (refer to financial declaration).

AUDIT COMMITTEE

The Board has established an Audit Committee that consists of the following non-Executive Directors:

- Mr Anthony Lee (Chairperson)
- Mr Ian Ingram

The Chairperson is an independent Director and is not the Chairperson of the Board. The Consolidated Entity has not met 4.2 of the Corporate Governance Council's recommendation that the Audit Committee consists of three members due to the size of the Board.

The Board has adopted a formal charter for the Audit Committee that sets out its responsibilities and the charter is available on the Consolidated Entity's website. The main responsibilities of the Committee are:

- Review and report to the Board on the annual and half-year financial reports, and all other financial information published by the Consolidated Entity or released to the market.
- Assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
  - effectiveness and efficiency of operations;
  - reliability of financial reporting; and
  - compliance with applicable laws and regulations.
- Reviewing accounting policies to ensure compliance with the current laws, relevant regulations, accounting standards and other mandatory professional reporting requirements.
- Recommend to the Board the appointment, removal and remuneration of external auditors, and review the terms of their engagement and the scope and quality of the audit.

In fulfilling its responsibilities, the Audit Committee receives reports from management and the external auditors. It also meets with the external auditors at least twice a year, more frequently if necessary. The external auditors have a clear line of direct communication at any time to the Chairman of the Audit Committee.

Details of Audit Committee members' qualifications and the number of meetings attended can be found in the Directors' Report.

EXTERNAL AUDITOR

The Consolidated Entity's policy is to appoint an external auditor that clearly demonstrates experience, quality and independence.

BDO has been the external auditor since 26 June 2003. The performance of the external auditor is reviewed annually.

The Consolidated Entity complies with auditor rotation requirements. The lead partner of BDO for the Consolidated Entity's audit was rotated in the previous financial year.

An analysis of fees paid to the external auditor, including a breakdown of fees for non-audit services, is provided in Note 3 to the financial statements. It is the policy of the external auditor to provide to the Audit Committee a bi-annual declaration of its independence. The external auditor will also attend the Annual General Meeting and will be available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

5. THE BOARD MAKES TIMELY AND BALANCED DISCLOSURES

The Consolidated Entity has an established process to ensure that it is in compliance with its ASX Listing Rule disclosure requirements. This includes monthly confirmation by all general managers that their areas have complied with the continuous disclosure policy.

The Company Secretary has been appointed as the person responsible for communications with the Australian Securities Exchange (ASX). This person is also responsible for ensuring compliance with the continuous disclosure requirements in the ASX listing rules, and overseeing and co-ordinating information disclosure to the ASX.

Directors and Senior Executives must notify the Company Secretary as soon as they become aware of relevant information that should be considered for release to the market. This information is then reviewed by the Company Secretary to decide whether disclosure to the ASX is required. The actual form of the disclosure will be co-ordinated by the Company Secretary and the Managing Director.

All information disclosed to the ASX is posted on the Consolidated Entity's website as soon as it is disclosed to the ASX.

Dark Minds

6. THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

The Consolidated Entity places all relevant market announcements on its website after they have been released to the ASX and registered shareholders receive an email when there is a material announcement.

The external auditor attends the Annual General Meeting and is available to answer shareholder questions on: the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Consolidated Entity in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit.

7. THE BOARD RECOGNISES AND MANAGES RISK

Policies have been developed that include components relating to oversight, risk profile, risk management and assessing the effectiveness of risk oversight and management. Appropriate insurance cover is purchased to limit the potentially adverse financial impacts associated with risk exposures.

The Board regularly monitors the operational and financial performance of the Consolidated Entity against the budget and other key performance measures. The Board receives from management the key business financial risks that could prevent the Consolidated Entity from achieving its objectives, and ensures the appropriate controls are in place to effectively manage those risks. Below are some of the key business risks identified and managed by the Consolidated Entity.

ENVIRONMENTAL OCCUPATIONAL HEALTH AND SAFETY

The Consolidated Entity recognises the importance of environmental occupational health and safety issues and is committed to the highest levels of performance. Internal environment occupational health and safety committees have been set up within the Consolidated Entity and the progress is monitored periodically.

CONTRACTUAL ITEMS

The organisation has taken all necessary steps to protect its intellectual property. In all joint ventures the contractual arrangements clearly allocate intellectual property rights to the controlling entity participant.

MANAGING DIRECTOR/GENERAL MANAGER OF FINANCE DECLARATION

At the time that the Managing Director and General Manager of Finance provide the Board with the Financial Declaration, they also state that, in accordance with S295A of the Corporations Act in respect of the entire reporting period:

- The Financial Declaration is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Consolidated Entity's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects.

8. REMUNERATE FAIRLY AND RESPONSIBLY

The Board is responsible for evaluating and monitoring the performance and compensation arrangements for the Chairman, Managing Director and other Senior Executives on an annual basis.

The Board has established a Remuneration Committee to fulfill this responsibility. The committee consists of the following Non-Executive Directors:

- Mr Ian Robertson (Chairman)
- Mr Anthony Lee
- Mr Ian Ingram

The Chairperson is an independent Director and is not the Chairperson of the Board.

Details of Remuneration Committee members' qualifications and the number of meetings attended can be found in the Directors' Report.

The Consolidated Entity's remuneration policy is set out in full in the Consolidated Entity's Human Resources policy and procedures manual. These are reviewed and approved periodically by the Board.

Details on Remuneration including the remuneration policy for Senior Executives, Executive and Non-Executive Directors can be found in the Directors' Report.

Highway Thru Hell

BOARD OF DIRECTORS

IAN INGRAM
CHAIRMAN
BA, BSC (ECON)(HONS), BARRISTER AT LAW

Mr Ingram was the founding Chairman of Beyond International Limited when it was formed in September 1986 and is currently the Non Executive Chairman. During his tenure, Beyond has emerged as one of the world's leading film and television production, sales and distribution organisations.

ANTHONY HSIEN PIN LEE
NON-EXECUTIVE DIRECTOR
B.A. PRINCETON UNIVERSITY NEW JERSEY USA,
MBA THE CHINESE UNIVERSITY OF HONG KONG

Mr Lee is a private investor and a Director of Aberon Pty Limited, his investment company. Prior to moving to Sydney from Hong Kong in 1987, Mr Lee was a corporate finance executive with a leading British merchant bank.

MIKAEL BORGLUND
MANAGING DIRECTOR AND CEO
BBUS, CA

A founding director of Beyond International in 1984, Mikael Borglund became Managing Director of the Beyond International Limited Group of companies in 1991 having been responsible for production, international sales and finance. During an outstanding career in the film and television industry Mikael has executive produced a number of Australian award winning feature films including KISS OR KILL (1996), and LANTANA (2001).

Mikael has been Executive Producer of hundreds of hours of television for broadcasters around the globe. His credits include a host of internationally successful shows including, "MythBusters", "Stingers", "Good Guys/Bad Guys", "Halifax Fp", "Atlas: Australia", "South Side Story", "Damage Control" and the award winning "Day Of The Roses".

A highly regarded member of the Australian film and television industry, Mikael was elected to the council of the Screen Producers Association of Australia (SPAA) in 1994, and appointed to the Board of the Australian Film Institute in 1997 – 2005.

IAN ROBERTSON
NON-EXECUTIVE DIRECTOR
LLB, BCOM, FAICD

Ian Robertson is a corporate and media lawyer who heads the media and entertainment practice of national law firm, Holding Redlich. He is also the managing partner of the firm's Sydney office. He has worked in and for the media and entertainment industries for most of his career, including in the 1980's as the in-house counsel for David Syme & Co Limited, publisher of the "The Age" newspaper, and as a senior executive of the video, post-production and facilities company, AAV Australia. He became a partner of Holding Redlich in Melbourne in 1990 and established the firm's Sydney office in 1994.

He is also the deputy chair of the peak Australian Government film agency, Screen Australia and president of the board of the Victorian Government film agency, Film Victoria. His former appointments include board member of the Australian Broadcasting Authority, director and chair of Ausfilm, director and deputy chair of Film Australia Limited, and director of the predecessor agency to Film Victoria, Cinemedia.

Mr Robertson is a Fellow of the Australian Institute of Company Directors.

DIRECTORS' REPORT

YOUR DIRECTORS PRESENT THEIR REPORT ON THE COMPANY AND ITS CONTROLLED ENTITIES ("CONSOLIDATED ENTITY" OR "GROUP") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013.

1. DIRECTORS

The names of Directors in office at any time during or since the end of the financial year are;

IAN INGRAM Non-Executive Chairman
MIKAEL BORGLUND Managing Director
ANTHONY LEE Non-Executive Director
IAN ROBERTSON Non-Executive Director

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

2. COMPANY SECRETARY

The following person held the position of Company Secretary during and at the end of the financial year:
Mr Robert Milne, B Comm. joined Beyond in January 1996 and has worked closely with all areas of the Company's Film, Television, Distribution and Production divisions. Mr. Milne is also the General Manager of Finance for the group, and was appointed Company Secretary on 1 December 2003.

3. PRINCIPAL ACTIVITIES OF THE GROUP

The principal activities of the group during the financial year were television program production, international sales of television programs and feature films, home entertainment and digital marketing. There was no significant change in the nature of those activities during the financial year.

4. OPERATING RESULTS

The consolidated profit attributable to members of the Company for the financial year was $9,273,000 (2012: $8,463,000).

5. DIVIDENDS

An interim 2013 dividend of 3 cents per share was paid in April 2013 and the Company will pay a final 2013 dividend of 4 cents per share in October 2013. This brings the total dividend for the 2013 year to 7 cents per share.

6. REVIEW OF OPERATIONS

Revenue for the year has increased by 13.3% from $90,611,000 to $102,673,000 with operating expenses increasing by $11,411,000 or 14.2% year on year.

Net profit after tax and after adjusting for non-controlling interest is $9,273,000 for the 2013 financial year – an increase of 9.6% over the 2012 financial year.

Net cash flow from operating activities was $10,868,000 (2012: $9,108,000) with the final 2012 and interim 2013 dividend totaling $3,680,218 being paid during the period.

TELEVISION PRODUCTION AND COPYRIGHT SEGMENT

Television production revenue increased by $4,119,000 or 10% to $45,297,000.

In 2013 the net "copyright income" from the further exploitation of the programs by Beyond Distribution is $6,960,000 compared to $5,275,000 in 2012.

Segment EBIT for the 12-month period increased 4% to $11,657,000 (2012: $11,241,000).

The television series' produced for the US market during the year include *Mythbusters* (series 9), *Forbidden* (series 1), *Behind Mansion Walls* (series 3), and *Deadly Women* (series 7).

Australian commissioned production includes *Selling Houses* (series 7), Pipsqueaks (series 2), *Whitlam – The Power and the Passion* and the *Tour Down Under.*

In the 2013 financial year 50% of total segment revenues were transacted in US dollars (2012: 50%).

HOME ENTERTAINMENT SEGMENT (BHE)

Revenue decreased by 17% to $23,045,000 (2012: $27,781,000) compared to the corresponding 12-month period.

The segment EBIT has decreased by 10% to $2,386,000 compared to $2,662,000 in the 2012 year.

The decline in revenue is due to the loss of the Entertainment One sales and distribution contract that was a major content provider to BHE in the prior year. In addition the overall physical DVD market contracted 8% during the period under review.

The company has responded to volatile market conditions by outsourcing product assembly and product distribution. This has resulted in a reduction in headcount by 47% to a total of thirty-two people. The financial benefit of this restructure will be partly realised in the 2014 financial year with the full impact occurring in the 2015 financial year.

TV AND FILM DISTRIBUTION SEGMENT (BEYOND DISTRIBUTION)

Segment revenue has increased by $4,231,000 or 23% to $22,686,000 compared to the corresponding 12 month period (2012: $18,455,000).

The segment EBIT for the twelve months increased by 51% to $2,892,000 from $1,912,000 in 2012.

During the current period 53% of total segment revenues are denominated in US$ (2012: 47%).

During the year successful sales were achieved for in house produced series', which include *Mythbusters*, *History Hunters*, *Deadly Women*, *Lab Rats Challenge* and *Toybox*.

The most successful third party products sold were *Highway Thru Hell*, *Love It Or List It*, *Fatal Vows* and *BBQ Crawl*.

DIGITAL MARKETING SEGMENT (BeyondD)

Revenue for the year is $11,622,000.

The segment EBIT for the twelve months is a loss of $49,000 (before impairment charge and release of provision) compared to a loss of $8,000 in 2012. This was significantly below budget and consequently an impairment charge of $650,000 was booked in the financial year against the carrying value of the businesses' goodwill. When the business was acquired in 2012 a deferred consideration provision of $300,000 was booked. Based on the actual EBIT performance for the year no actual performance payment was payable and the provision was released.

The digital industry continues to experience strong growth and following a difficult year the business is better positioned to capitalise on the strong demand for targeted digital media and marketing services.

BBQ Crawl

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year ended 30 June 2013.

8. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 27 August 2013 the company declared a final dividend of 4 cents per share to be paid in October 2013. With the exception of dividends there are no subsequent events to declare.

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Beyond International Group of companies delivered another strong result for the 12 months to the 30th June 2013 despite a difficult global economic climate.

All four operating segments are facing competitive pressures and technological challenges. The television production and distribution segments operate in an international environment and are subject to economic fluctuations that occur in the different markets in which they operate. Although the company has successfully traded in these markets for over twenty years it is difficult to predict how these various economies will perform over the short term.

Beyond has continued to strengthen its balance sheet to ensure the company is positioned to create and acquire media content that will be exploited through both traditional media outlets and new delivery platforms.

Over the next twelve months the Company's focus will be to further strengthen the financial performance in all operating segments of the Group in order to generate surplus cash to pay dividends, invest in working capital, and new content. Beyond is also actively seeking and assessing strategic acquisition opportunities in the digital media sector.

The Zoo

10. INFORMATION ON DIRECTORS

DIRECTOR	QUALIFICATIONS & EXPERIENCE	SPECIAL RESPONSIBILITIES	DIRECTORS' INTERESTS IN SHARES OF BEYOND INTERNATIONAL LIMITED
I INGRAM BA, Bsc(Econ), Honours Barrister at Law	Chairman of Sealion Media Ltd as well as Chairman of various private venture capital and investment companies. Resides in London. Member of the Board since 1986	Chairman, member of the Audit Committee, member of the Remuneration Committee, and Chairman of the Nomination Committee.	13,997,561 direct/indirect
M BORGLUND B.Bus, CA	Extensive management & finance experience. Former member of the board of the Australian Film Institute. Member of the Board since 1990	Managing Director, CEO and member of the Nomination Committee.	3,509,101 direct/indirect
A LEE BA, MBA	Director of Aberon Pty Ltd, a private investment company, a substantial shareholder in the company. Member of the Board since 1990	Non-Executive Director, Chairman of the Audit Committee, member of the Remuneration Committee, and member of the Nomination Committee.	5,474,997 direct/indirect
IAN ROBERTSON LL.B. BComm, FAICD	A media and corporate lawyer who heads the media and entertainment practice of national law firm Holding Redlich and is the Managing Partner of the firm's Sydney office. He is Deputy Chair of the peak Australian Government film agency Screen Australia and is a former board member and Chair of Ausfilm International, Inc. Member of the Board since 2006	Non-Executive Director, Chairman of the Remuneration Committee and member of the Nomination Committee.	110,000 direct/indirect

The particulars of Directors' interests in shares are as at the date of this report.

11. DIRECTORS' MEETINGS

The numbers of meetings of the Company's Board of Directors and of each Committee held during the financial year ended 30 June 2013, and the number of meetings attended by each Director was:

	BOARD OF DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
I Ingram	9	9	2	2	2	2	2	2
M Borglund	9	9	-	-	-	-	2	2
A Lee	9	9	2	2	2	2	2	2
I Robertson	9	9	-	-	2	2	2	2

Pipsqueaks

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into agreements to indemnify all Directors of the Company named in section 1 of this report, and current and former executive officers of the Group, against all liabilities to persons (other than the Company or a related body corporate) which arise out of the performance of their normal duties as Director or executive officer, unless the liability relates to conduct involving a lack of good faith. The Group has agreed to indemnify the Directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

The Group paid insurance premiums totalling $27,558 in respect of Directors' and officers' liability insurance. The policy does not specify the premium of individual Directors and executive officers.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions, and any resulting payments arising from a liability to persons (other than the Company or a related body corporate) incurred in their position as Director or executive officer, unless the conduct involves a willful breach of duty or an improper use of inside information or position to gain advantage.

13. REMUNERATION REPORT

A) REMUNERATION POLICY

The broad approach by the Group to remuneration is to ensure that remuneration packages:

- properly reflect individual's duties and responsibilities;
- are competitive in attracting, retaining and motivating staff of the highest quality; and
- uphold the interests of shareholders.

The remuneration policies adopted are considered to have contributed to the growth of the Group's profits and shareholder benefit by aligning remuneration with the performance of the Group. In particular the policies implemented have assisted in:

- driving net profit from $2,541,000 in FY05 to $9,273,000 in FY13;
- driving basic earnings per share from 4.28 cents in FY05 to 15.77 cents in FY13; and
- providing dividend returns of 7 cents per share (FY 05: nil).

B) REMUNERATION APPROACH – NON-EXECUTIVE DIRECTORS

Non-Executive Directors are remunerated from a maximum aggregate amount of $350,000 per annum.

Current rates effective 1 October 2013 paid to Non-Executive Directors are:

Chairman
$188,025 p.a.

Non-Executive Director
$50,000 p.a.

Additional Duties

Chairman of a board committee
$10,000 p.a.

The Board's policy is to remunerate Non-Executive Directors at market rates from comparable companies having regard to the time commitments and responsibilities assumed.

There are no termination payments to Non-Executive Directors on retirement from office other than payments relating to their accrued superannuation entitlements.

C) CONTRACTUAL ARRANGEMENTS – KEY MANAGEMENT PERSONNEL

Name	Position	Duration of Contract	Period of Notice to Terminate the Contract
M Borglund	Managing Director	No fixed term	Either party may terminate on twelve months notice
J Luscombe	General Manager – Productions & Senior Vice President	No fixed term	Either party may terminate on twelve months notice
P Tehan	General Manager – Legal & Business Affairs	No fixed term	One month notice given by either party
T McGee	General Manager – Business Development	No fixed term	One month notice given by either party
F Crago	General Manager – Distribution (resigned 27 February 2013)	No fixed term	One month notice given by either party
M Murphy	General Manager – Distribution (appointed 01 March 2013)	No fixed term	One month notice given by either party
R Milne	General Manager – Finance & Company Secretary	No fixed term	One month notice given by either party
P Maddison	General Manager – Home Entertainment	No fixed term	One month notice given by either party
J Ostler	General Manager - Digital Marketing	Fixed Services contract until April 2014	One month notice given by either party

The contracts referred to are currently on foot and variously part performed as to the duration of them. The contracts are terminable by the Company in the event of serious misconduct or non-rectified breach. Only remuneration that is due but unpaid up to the date of termination and normal statutory benefits will be paid in these circumstances.

D) KEY MANAGEMENT PERSONNEL REMUNERATION

The Board undertakes an annual review of its performance and the performance of the Board Committees against goals set at the start of the financial year. Any performance related bonuses are available to executives of the Company and thus no bonuses are payable to Non-Executive Directors. Any performance related bonuses will be based on the divisional net profit before tax exceeding the annual budget approved by the Board prior to the commencement of the relevant financial year by a minimum percentage, and achieving pre-agreed KPI's. Details of the nature and the remuneration of each Director of Beyond International Limited and each of the eight executives with the greatest authority for the strategic direction and management of the Company and the Group are set out in the following tables.

DIRECTORS OF BEYOND INTERNATIONAL LIMITED

2013

NAME	SALARY & FEES	BONUS	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS (SUPERANNUATION)	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
M Borglund	$683,387	-	-	$16,470	$2,929	$702,786	0.42%
I Ingram	$203,433	-	-	-	$2,929	$206,362	1.42%
A Lee	$52,752	-	-	$4,745	$1,465	$58,962	2.48%
I Robertson	$52,752	-	-	$4,748	$1,465	$58,965	2.48%
TOTAL	**$992,324**	**-**	**-**	**$25,963**	**$8,788**	**$1,027,075**	**0.86%**

Mikael Borglund's bonus as a percentage of his salary and fees is 0% (2012: 13%). The bonus calculation is based on the Group's net profit before tax against budget.

2012

NAME	SALARY & FEES	BONUS	NON MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
M Borglund	$667,901	$89,615	-	$15,775	$4,106	$777,397	0.53%
I Ingram	$160,000	-	-	-	$4,106	$164,106	2.50%
A Lee	$45,872	-	-	$4,128	$2,053	$52,053	3.94%
I Robertson	$45,872	-	-	$4,128	$2,053	$52,053	3.94%
TOTAL	**$919,645**	**$89,615**	**-**	**$24,031**	**$12,318**	**$1,045,609**	**1.18%**

Mr Borglund is the only Executive Director employed by Beyond International Limited

During the 2013 financial year the Group did not exceed the budget by the set criteria and as such Mikael Borglund was not entitled to a performance bonus. In the 2012 financial year the budget criteria was met and consequently Mikael Borglund was entitled to 100% of his bonus, which was paid out in full in the current financial period. Share based payments are in relation to the 2010 issue of shares under the Employee Share Plan.

EXECUTIVE OFFICERS' REMUNERATION

2013

NAME	SALARY & FEES	BONUS	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
J Luscombe	$496,280	$470,275	-	$16,470	$2,929	$985,954	0.30%
T McGee	$234,971	$31,511	-	$16,345	$1,465	$284,292	0.52%
F Crago	$196,428	$35,292	-	$11,077	$2,197	$244,994	0.90%
M Murphy	$116,137	-	-	-	-	$116,137	0.00%
R Milne	$207,491	$27,656	-	$16,470	$2,197	$253,814	0.87%
P Tehan	$193,581	$26,811	-	$16,470	$1,465	$238,327	0.61%
P Maddison	$313,818	-	-	$16,470	$2,197	$332,485	0.66%
J Ostler	$309,224	-	-	$16,470	-	$325,694	0.00%
TOTAL	**$2,067,930**	**$591,545**	**-**	**$109,772**	**$12,450**	**$2,781,696**	**0.45%**

2012

NAME	SALARY & FEES	BONUS	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
J Luscombe	$490,395	$469,405	-	$15,775	$4,106	$979,681	0.42%
T McGee	$219,801	-	-	$15,775	$2,053	$237,629	0.87%
F Crago	$288,269	-	-	$15,775	$3,079	$307,123	1.01%
R Milne	$184,403	-	-	$15,775	$3,079	$203,257	1.52%
P Tehan	$188,162	-	-	$15,775	$2,053	$205,990	1.00%
P Maddison	$309,748	-	-	$15,775	$3,079	$328,602	0.94%
TOTAL	**$1,680,778**	**$469,405**	**-**	**$94,650**	**$17,449**	**$2,262,282**	**0.78%**

John Luscombe's bonus as a percentage of his salary and fees is 80% (2012: 96%). The bonus calculation is based on the financial performance of programmes created and produced, and divisional net profit before tax performance to budget.

During the year 2013 financial year the Group did not exceed the budget by the set criteria and, other than Productions, neither did the individual divisions. As such no executives, other than John Luscombe, were entitled to a performance bonus. John Luscombe was entitled to 100% of his bonus, which he received and is detailed above. In the 2012 financial year the budget criteria was met and consequently those executives were entitled to 100% of their bonus, which was paid out in full in the current financial period.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2012 ANNUAL GENERAL MEETING (AGM)

The company received 100% of "for" votes in relation to its remuneration report for the year ended 30 June 2012. The company did not receive any specific feedback at the AGM regarding its remuneration policy.

BEYOND INTERNATIONAL EMPLOYEE SHARE PLAN

The Board has adopted an employee share plan under which employees and Directors of the Group may subscribe for shares in the Company using funds loaned to them by the Group. The Board has also adopted a share plan on substantially the same terms for consultants of the Group (Consultant Plan). The purpose of the Employee Share Plan is to:

- assist in the retention and motivation of employees and Directors of the Group by providing them with a greater opportunity to participate as shareholders in the success of the group; and
- create a culture of share ownership amongst the employees of the Group. The employee share plan was approved by shareholders at the Company's extraordinary general meeting on 12th April 2006.

2,537,500 shares have been issued under the Employee Share Plan to eligible employees and Directors and the Group has entered into loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares have been issued in accordance with the Employee Share Plan rules.

Under the Employee Share Plan rules the Board of the Group has the power to decide which full time or permanent part-time employees and Directors of the Group will participate in the Employee Share Plan and the number of shares offered to each participant. The number of shares offered to be issued under the Employee Share Plan and Consultants Plan in a five year period must not exceed 5% of the total number of issued shares at the time of the offer, disregarding certain share issues.

Forbidden Worlds

The shares granted under the Employee Share Plan may be subject to any restrictions the Board considers appropriate and the Board may implement any procedure the Board considers appropriate to restrict the disposal of shares acquired under the Employee Share Plan. The Board also has the power to vary or terminate the Employee Share Plan at any time, subject to the ASX Listing Rules and the Corporations Act 2001.

14. TOTAL NUMBER OF EMPLOYEES

The total number of fulltime equivalent employees employed by the Group at 30 June 2013 was 174 as compared with 195 at 30 June 2012.

15. SHARES UNDER OPTION

At the date of this report, there are no un-issued ordinary shares of Beyond International Limited under option.

16. SHARES ISSUED ON THE EXERCISE OF OPTIONS

No shares have been redeemed from the Beyond International Limited employee share option plan during or since the end of the financial year. No further shares have been approved by the Board of Directors under this plan.

17. ENVIRONMENTAL REGULATIONS

The Group has assessed whether there are any particular or significant environmental regulations which apply to it and has determined that there are none.

18. ROUNDING OF AMOUNTS

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

19. 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.

NON AUDIT SERVICES

During the year BDO, the Company's auditor, delivered tax services and performed audits in relation to non-statutory submissions.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2013:

- Tax compliance services $33,500
- Other assurance services $27,000

When considering BDO to provide additional services the Board considers the non-audit services provided to ensure it is satisfied that the provision of these non-audit services by the auditor is compatible with, and will not compromise the auditor independence requirements of the Corporations Act 2001. In particular it ensures that:

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- Non-audit services provided do not undermine the general principles relating to audit independence, as they would not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company, or jointly sharing risks and rewards.

2013 Santos Tour Down Under

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 33 of the Directors' Report.

AUDITOR DETAILS

BDO East Coast Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

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

For and on behalf of the Board

Mikael Borglund
Managing Director
27 August 2013
Sydney

BDO

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Sydney NSW 2000

Australia

DECLARATION OF INDEPENDENCE BY CRAIG MAXWELL TO THE DIRECTORS OF BEYOND INTERNATIONAL LIMITED

As lead auditor of Beyond International Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Beyond International Limited and the entities it controlled during the period.

Craig Maxwell
Partner

BDO East Coast Partnership
Sydney, 27 August 2013

Behind Mansion Walls

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	CONSOLIDATED ENTITY 2013 $000'S	2012 $000'S
Revenue from continuing operations	3 (a)	**102,824**	90,731
Other income	3 (a)	**300**	-
Royalty expense		**16,160**	17,480
Production costs		**32,775**	29,340
Home entertainment direct costs		**6,765**	6,671
Digital marketing direct costs		**7,057**	1,807
Administration costs		**6,745**	6,148
Employee benefits expense		**14,990**	12,290
Finance costs	3 (b)	**40**	42
Provisions		**1,322**	1,562
Depreciation and amortisation expense	3 (b)	**5,822**	5,093
Net foreign exchange loss	3 (b)	**196**	30
Impairment of assets	3 (b)	**650**	-
Profit before income tax	3 (b)	**10,602**	10,268
Income tax expense	4 (a)	**(1,121)**	(1,619)
Profit for the year		**9,481**	8,649

Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Changes in the fair value of available-for-sale financial assets	10 (a)	**(32)**	(135)
Foreign currency translation		**7**	(29)
Other comprehensive income for the year, net of tax		**(25)**	(164)
Total comprehensive income for the year		**9,456**	8,485
Profit is attributable to:			
Owners of Beyond International Limited		**9,273**	8,463
Non-controlling interest		**208**	186
		9,481	8,649
Total comprehensive income for the year is attributable to:			
Owners of Beyond International Limited		**9,248**	8,299
Non-controlling interest		**208**	186
		9,456	8,485

Earning per share:		**Cents**	Cents
Basic earnings per share	5	**15.77**	14.39
Diluted earnings per share	5	**15.12**	13.80
Dividends paid per share (cents)	20	**6.00**	6.00

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	NOTES	CONSOLIDATED ENTITY 2013 $000'S	2012 $000'S
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**10,126**	5,725
Trade and other receivables	7	**25,948**	24,963
Financial assets	10(b)	**-**	304
Inventories	8	**4,221**	3,793
Other current assets	9	**14,398**	14,471
TOTAL CURRENT ASSETS		**54,693**	49,256
NON-CURRENT ASSETS			
Trade and other receivables	7	**4,519**	3,751
Financial assets	10(a)	**7**	39
Property plant and equipment	11	**1,655**	1,709
Intangible assets	12	**5,881**	6,611
Deferred tax assets	4(c)	**2,489**	2,528
Other non-current assets	9	**405**	539
TOTAL NON-CURRENT ASSETS		**14,956**	15,177
TOTAL ASSETS		**69,649**	64,433

LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**6,243**	5,258
Financial liabilities	10(b)	**335**	-
Short-term borrowings	14	**-**	36
Employee benefits	15	**3,004**	2,828
Current tax liabilities	4(d)	**365**	325
Other current liabilities	16	**9,852**	12,067
TOTAL CURRENT LIABILITIES		**19,799**	20,514
NON-CURRENT LIABILITIES			
Deferred tax liabilities	4(c)	**6,469**	6,541
Employee benefits	15	**549**	477
Other non-current liabilities	16	**758**	652
TOTAL NON-CURRENT LIABILITIES		**7,776**	7,670
TOTAL LIABILITIES		**27,575**	28,184
NET ASSETS		**42,074**	36,249
EQUITY			
Issued capital	17	**33,315**	33,315
Reserves	18	**(113)**	(136)
Retained earnings		**9,114**	3,521
Issued capital and reserves attributable to owners of Beyond International Ltd		**42,316**	36,700
Non-controlling interests	19	**(242)**	(451)
TOTAL EQUITY		**42,074**	36,249

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

CONSOLIDATED ENTITY	ISSUED CAPITAL $000'S	RESERVES $000'S	RETAINED EARNINGS/ (ACCUMULATED LOSSES) $000'S	TOTAL $000'S	NON-CONTROLLING INTERESTS $000'S	TOTAL EQUITY $000'S
Balance at 1 July 2012	**33,315**	**(136)**	**3,521**	**36,700**	**(451)**	**36,249**
Profit for the year	**-**	**-**	**9,273**	**9,273**	**208**	**9,481**
Other comprehensive income for the year, net of tax	**-**	**(25)**	**-**	**(25)**	**-**	**(25)**
Total comprehensive income for the year	**-**	**(25)**	**9,273**	**9,248**	**208**	**9,456**
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	**-**	**-**	**(3,680)**	**(3,680)**	**-**	**(3,680)**
Employee share plan	**-**	**48**	**-**	**48**	**-**	**48**
Balance at 30 June 2013	**33,315**	**(113)**	**9,114**	**42,316**	**(242)**	**42,074**
Balance at 1 July 2011	33,315	(39)	(1,262)	32,014	(637)	31,377
Profit for the year	-	-	8,463	8,463	186	8,649
Other comprehensive income for the year, net of tax	-	(164)	-	(164)	-	(164)
Total comprehensive income for the year	-	(164)	8,463	8,299	186	8,485
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(3,680)	(3,680)	-	(3,680)
Employee share plan	-	67	-	67	-	67
Balance at 30 June 2012	33,315	(136)	3,521	36,700	(451)	36,249

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

		CONSOLIDATED ENTITY	
	NOTES	2013 $000'S	2012 $000'S
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**100,314**	88,052
Payments to suppliers and employees		**(88,525)**	(78,051)
Interest received		**151**	154
Finance costs paid		**(41)**	(42)
Income tax paid		**(1,031)**	(1,005)
Net cash provided by operating activities	6(b)	**10,868**	9,108
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(925)**	(566)
Investment in websites and databases		**(540)**	(126)
Distribution guarantees paid		**(1,659)**	(772)
Distribution guarantees recouped		**1,086**	799
Prepaid royalties		**(3,090)**	(2,845)
Prepaid royalties recouped		**2,668**	2,304
Payment for business acquisitions, net of cash acquired	6(d)	**-**	(2,135)
Payment for investments		**-**	(1,650)
Investment in development projects		**(328)**	(561)
Net cash flows used in investing activities		**(2,788)**	(5,552)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease principal repayments		**(36)**	(88)
Dividend paid		**(3,643)**	(3,664)
Net cash flows used in financing activities		**(3,679)**	(3,752)
Net increase/(decrease) in cash held		**4,401**	(197)
Cash and cash equivalents at the beginning of the financial year		**5,725**	5,922
Cash and cash equivalents at the end of the financial year	6(a)	**10,126**	5,725

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Beyond International Limited for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Board of Directors on 27th August 2013.

Beyond International Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange.

The financial report covers the consolidated entity of Beyond International Limited and its controlled entities ("the Consolidated Entity" and/or "the group").

(A) STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for profit oriented entities. The financial report has been prepared on an accruals basis and is based on historical costs, except where stated. The Consolidated Entity has not adopted a policy of revaluing its non-current assets on a regular basis. Non-current assets are revalued from time to time as considered appropriate by the directors and are not stated at amounts in excess of their recoverable amounts.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

In the current year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of the revised Standards and Interpretations has had no material impact on the recognition and measurement criteria, only minor changes to some of the disclosure within the financial statements.

The following Australian Accounting Standards have been issued or amended and are applicable to the Consolidated Entity but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date. This list is not complete however it represents the key standards applicable to the Consolidated Entity.

AASB AMENDMENT	AFFECTED STANDARD(S)	EFFECT OF CHANGE IN ACCOUNTING POLICY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
AASB 9	AASB 9 'Financial Instruments'	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 January 2015	1 July 2015
AASB 13	AASB 13 'Fair Value Measurement'	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 January 2013	1 July 2013
AASB 12	AASB 12 'Disclosure of Interests in Other Entities'	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 January 2013	1 July 2013
AASB 19	AASB 13 'Employee Benefits'	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement [AASB 124]	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 July 2013	1 July 2013
AASB 10	AASB 10 'Consolidation'	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 January 2013	1 July 2013

(B) BASIS OF CONSOLIDATION

A controlled entity is any entity controlled by Beyond International Limited. Control exists where Beyond International Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Beyond International Limited to achieve the objectives of Beyond International Limited. The effects of all transactions and inter-company balances between entities in the Consolidated Entity are eliminated in full. A list of controlled entities is contained in note 24 to the financial statements.

A non-controlling interest in the results and equity of the controlled entities are shown separately in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position respectively. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Acquisition of minority interest holdings, once control is obtained is recognised in equity as an equity reserve.

Investments in associates where the entity exercises significant influence, but does not have control, are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries are carried at cost by the parent entity.

(C) INCOME TAX

The income tax expense for the year comprises current income tax expense and deferred tax expense.

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 reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (or recovered from) the relevant tax authority.

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

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 arise where amounts have been fully expensed but future 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.

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 reporting date. 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.

Tax consolidation

Beyond International Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own deferred tax assets and liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the head entity, being Beyond International Limited. The current tax liability for each group entity is then subsequently assumed by the parent entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Pursuant to the funding arrangement, transfers of tax losses or tax liabilities are assumed by the head entity through intercompany loans.

(D) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(E) REVENUE RECOGNITION

Revenue from operating activities represents revenue earned from the sale and licensing of the Consolidated Entity's products and services, net of returns and trade allowances. Other revenue from outside the operating activities includes interest income on short term investments, proceeds from sale of plant and equipment and net gains on foreign currency transactions.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Revenue from Australian and international television production contracts is recognised using the percentage of completion method.
- Revenues from international television and feature film licensing contracts are recognised when the programming is able to be delivered and a licence agreement is signed by both parties.
- When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.
- Royalty revenue within the Distribution and Film divisions is recognised when received.
- Revenues from the sale of DVD inventory is recognised at the time the goods are dispatched, apart from consignment arrangements where revenue is recognised upon sale to the end customer.
- Rending of services revenue from a digital marketing contract to provide services is recognised by reference to the stage of completion of the project. Other digital marketing revenue is recognised when it is received or when the right to receive payment is established.

Where amounts are invoiced before revenue is earned, a deferred revenue liability is brought to account.

(F) BORROWING COSTS

Borrowing costs are recognised as an expense when incurred. Borrowing costs include:

- Interest on bank overdraft and short-term and long-term borrowings; and
- Finance lease charges.

(G) CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(H) RECEIVABLES

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts or impairment. The following specific recognition criteria must also be met before a receivable is recognised:

- Production debtors – receivables are recognised as they are due for settlement, within a term of no more than 30 days.
- Licensing debtors – receivable is recognised once a licence agreement is signed by both parties and the programme is able to be delivered. Payment terms are usually based upon signature, delivery and acceptance. In certain contracts instalment payments may extend over the term of the licence agreement.

A provision for doubtful debts is raised when there is objective evidence that the Consolidated Entity will not be able to collect the debts based on a review of all outstanding amounts at the reporting date. Bad debts are written off when they are identified.

(I) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Inventories represent stock TV footage and DVD stock at cost. As the footage is used it will be included within the production cost of the programme.

Inventories sold on consignment remain in the financial statements as stock on hand until sold to the end customer.

Costs are assigned to an individual item of inventory on the basis of weighed average costs.

(J) INVESTMENTS

Investments have been brought to account as follows:

Interests in subsidiary companies and trusts

- The Company's interests in listed and un-listed companies and trusts are brought to account at cost and dividends and other distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income when receivable. Controlled entities and associates are accounted for in the consolidated financial statements as set out in note 1 (B).
- Where, in the opinion of the Directors, there has been a diminution in the value of an investment, the carrying amount of the investment is written down to its recoverable amount.

(K) CAPITALISED PRODUCTION COSTS

Television production costs are capitalised and amortised against future sales revenue. Forecast sales revenues are reviewed regularly and the amortisation is adjusted to reflect the estimates of future licensing revenue of each production. The non-current component represents amounts that will not be amortised within the next twelve months. Where doubt exists as to the ability to recover the expenditure from future sales, the amounts in doubt are provided for in the year in which the assessment is made.

Capitalised production costs are disclosed in the accounts net of any cash progress payments received on projects. Where such progress payments exceed these costs the net amounts are disclosed as deferred revenue.

(L) CAPITALISED DEVELOPMENT COSTS

Costs of developing new programme concepts, which the Directors believe are probable of being recovered from future revenues, are capitalised. Capitalised costs are costed into the production or are written off in the event that the programme does not proceed. These costs are classified as current assets as the costs of developing new programmes are expected to be realised within one year.

(M) DISTRIBUTION ADVANCES AND PREPAID ROYALTIES

Distribution advances for television and feature film distribution rights, and prepaid royalties for the DVD rights, are capitalised at cost as paid, and recouped from future sales on cash receipt.

Where doubt exists as to the ability to recover the expenditure from future sales, the amounts in doubt are provided for in the year in which the assessment is made.

(N) LEASES

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where property, plant and equipment is acquired by means of finance leases, the present value of the minimum lease payments is recognised as an asset at the beginning of the lease term and amortised on a straight line basis over the expected useful life of the leased asset. A corresponding liability is also established and each lease payment is allocated between the liability and finance charge.

Operating lease payments are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis.

(O) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost.

Depreciation and Amortisation

Depreciation on property, plant and equipment is calculated on a straight line basis to write off the net cost over its expected useful life to the Consolidated Entity. Estimates of the remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items.

The expected useful lives are as follows:

- Plant equipment & leasehold improvements: 2 – 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(P) INTANGIBLE ASSETS

Goodwill

Goodwill acquired and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and licenses

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life, which is 20 years.

Websites and Databases

Websites and Databases are recognised at cost. Websites and Databases are amortised over their useful life, which is 4 years.

(Q) IMPAIRMENT OF ASSETS

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

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.

(R) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(S) PRODUCER SHARE PAYABLES

These amounts represent the amounts due to producers contracted for payment as royalties upon receipt of licensing sales.

(T) EMPLOYEE BENEFITS

Wages and salaries, annual leave and sick leave

Liabilities for wages, salaries, annual leave and other current employee entitlements have been brought to account and are measured at the amount expected to be paid when the liabilities are settled.

Long service leave

Liabilities for long service entitlements not expected to be paid or settled within 12 months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid. This is based on a 2.7% per annum projected weighted average increase in wage and salary rates.

Superannuation

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

(U) SHARE-BASED PAYMENT TRANSACTIONS

Equity settled transactions:

The group provides benefits to employees of the group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place to provide these benefits: the Employee Share Loan Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the market value of a share on the date which they are granted.

The cost of equity-settled transactions is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the vesting period.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the group's best estimate of the number of equity instruments that will ultimately vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 5).

(V) BORROWINGS

Loans and borrowings are recorded at their principal amounts. Subsequently they are measured at amortised cost using the effective interest method.

(W) FOREIGN CURRENCY TRANSLATION

Transactions denominated in a foreign currency are converted to Australian currency at the exchange rate at the date of the transaction. Foreign currency receivables and payables at the reporting date are translated at exchange rates at the reporting date. Exchange gains and losses are brought to account in determining the profit or loss for the year.

Exchange gains and losses arising on forward foreign exchange contracts entered into as hedges of specific commitments are deferred and included in the determination of the amounts at which the transactions are brought to account. Specific hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in foreign exchange rates. If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains and losses which arose prior to termination continues, and those gains and losses are included in the measurement of the hedged transaction.

In those circumstances where a hedging transaction is terminated prior to maturity because the hedged transaction is no longer expected to occur, any previous deferred gains or losses are recognised in the Statement of Profit or Loss and Other

Comprehensive Income at the date of termination. All exchange gains and losses relating to other hedge transactions are brought to account in the Statement of Financial Position in the same period as the exchange differences on the items covered by the hedge transactions. Costs on such contracts are expensed as incurred.

Exchange gains and losses on the other hedge transactions entered into as hedges of general commitments are brought to account in the Statement of Profit or Loss and Other Comprehensive Income in the financial year in which the exchange rate changes.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Assets and liabilities of overseas controlled entities and branches are translated at exchange rates existing at the reporting date and the exchange gain or loss arising on translation is carried directly to a foreign currency translation reserve.

(X) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

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

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(Y) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Shares held in a listed entity are classified as being available-for-sale. These assets were initially recorded at cost and at each reporting date are revalued to fair value. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve unless there is a prolonged or significant decline, upon which the loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The classification of items within this category depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(Z) DERIVATIVE FINANCIAL INSTRUMENTS

The Consolidated Entity enters into forward foreign exchange agreements and foreign currency options on production contracts in order to manage its exposure to foreign exchange rate risks. Exchange contracts are brought to account as explained in note 1(W).

(AA) ISSUED CAPITAL

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.

(AB) EARNINGS PER SHARE

Basic earnings per share is calculated as net profit attributable to members of the parent, 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 of the parent, 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.

(AC) COMPARATIVE FIGURES

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

(AD) ROUNDING OF AMOUNTS

The Consolidated Entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Directors' report have been rounded off to the nearest $1,000, or in certain cases, the nearest dollar.

(AE) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of:

(i) 12 months from the date of acquisition; or

(ii) when the acquirer receives all the information possible to determine fair value.

(AF) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors evaluate estimates and judgments incorporated into the financial report 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.

Sections within this financial report whereby estimates and judgments have a material impact are as follows:

- the recoverability of Distribution Advances and Prepaid Royalties in Note 9 has been assessed using an estimate of future sales for the respective titles;
- the recoverability of Capitalised Development Costs in Note 9 is assessed based on a judgment as to whether each program will proceed in the forthcoming year(s);
- Capitalised Production Costs in Note 9 are calculated using an estimate of future sales on a specified title. The recoverability of this asset is assessed based on a judgment as to whether the initial estimated sales will be reached;
- Goodwill and other intangible assets are assessed annually based on an estimate of the value-in-use of the cash generating units to which goodwill and other intangible assets have been allocated. The value-in-use calculation requires the Consolidated Entity to estimate the future cash flows expected to arise from the cash-generating unit. The calculation also uses an estimated growth rate, and a discount rate in order to calculate present value. Details of these estimated rates are provided in Note 12; and
- As discussed in Note 1 (AE), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Consolidated Entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting other than contingent consideration are retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

(AG) PARENT ENTITY INFORMATION

These financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 28.

2. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business on a global basis in the following five operating divisions:

TV production and copyright

Production of television programming and ownership of television product copyright.

Film and Television distribution

International distribution of television programmes and feature films.

Home Entertainment

Distribution in Australia and New Zealand of DVDs.

Digital Marketing

Online search optimisation, website creation, development and performance and online media sales in Australia and New Zealand.

Other

Includes the parent entity, centralised administrative support services to the group comprising legal and business affairs, finance and human resources, in addition to internet development. None of these activities constitute a separately reportable business segment.

GEOGRAPHICAL SEGMENTS

Although the Consolidated Entity's divisions are managed on a global basis they operate in four main geographical areas:

Australia

The home country of the parent entity. The areas of operation include all core business segments.

North America

A portion of the group's production, film and television sales are generated from North America, with production offices in Los Angeles.

Europe

Substantial film and television distribution proceeds are derived from European markets. The group's head office for multinational activities is located in Dublin. This office is responsible for production and development, and for the acquisition and international sales of all television programmes and feature films. The Dublin office manages the direct sales and marketing activities of the office located in London, which represents the second overseas sales office base.

Rest of World

The Rest of World comprises all other territories from which film and television distribution income is derived including the Middle East, Asia, and Latin America.

OPERATING SEGMENT	TV PRODUCTION & COPYRIGHT		FILM & TELEVISION DISTRIBUTION		HOME ENTERTAINMENT		DIGITAL MARKETING		OTHER		INTER SEGMENT ELIMINATIONS		CONSOLIDATION	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S
REVENUE														
External revenues excluding fx	**45,297**	41,178	**22,686**	18,455	**23,045**	27,781	**11,622**	3,213	**174**	104	**-**	-	**102,824**	90,731
Other income	**-**	-	**-**	-	**-**	-	**300**	-	**-**	-	**-**	-	**300**	-
Other segments (b)	**6,960**	5,842	**69**	183	**-**	-	**748**	-	**1,962**	1,787	**(9,739)**	(7,812)	**-**	-
Total revenue	**52,257**	47,020	**22,755**	18,638	**23,045**	27,781	**12,670**	3,213	**2,136**	1,891	**(9,739)**	(7,812)	**103,124**	90,731
Result before fx, interest and D&A	**15,824**	14,907	**2,901**	1,921	**3,125**	3,772	**1,010**	176	**(5,490)**	(5,300)	**-**	-	**17,370**	15,476
Depreciation & amortisation	**4,167**	3,666	**9**	9	**739**	1,110	**759**	184	**148**	124	**-**	-	**5,822**	5,093
Impairment of assets	**-**	-	**-**	-	**-**	-	**650**	-	**-**	-	**-**	-	**650**	-
Result before interest & fx	**11,657**	11,241	**2,892**	1,912	**2,386**	2,662	**(399)**	(8)	**(5,638)**	(5,424)	**-**	-	**10,898**	10,383
Finance costs													**(40)**	(42)
Foreign exchange (loss)/gain													**(196)**	(30)
Unallocated corporate benefit/ (expense)													**(60)**	(43)
Profit before income tax													**10,602**	10,268
Income tax expense													**(1,121)**	(1,619)
Profit after income tax													**9,481**	8,649
Non-controlling interest profit													**(208)**	(186)
Profit for the year													**9,273**	8,463

OPERATING SEGMENT	TV PRODUCTION & COPYRIGHT		FILM & TELEVISION DISTRIBUTION		HOME ENTERTAINMENT		DIGITAL MARKETING		OTHER		INTER SEGMENT ELIMINATIONS		CONSOLIDATION	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S
ASSETS														
Segment assets	**82,856**	80,705	**113,583**	102,993	**25,814**	18,708	**4,153**	5,506	**27,564**	29,048	**(187,197)**	(175,583)	**66,773**	61,377
Deferred tax assets and other non-current assets													**2,876**	3,056
Total assets													**69,649**	64,433
LIABILITIES														
Segment liabilities	**17,995**	16,794	**145,377**	131,948	**14,015**	8,842	**4,511**	5,427	**5,112**	11,094	**(165,904)**	(152,463)	**21,106**	21,642
Deferred tax liabilities													**6,469**	6,542
Total liabilities													**27,575**	28,184
Other														
Capital expenditure	**345**	83	**1**	6	**398**	331	**-**	308	**181**	146	**-**	-	**925**	873
Other non cash expenses	**457**	941	**363**	532	**(15)**	14	**54**	4	**717**	129	**-**	-	**1,576**	1,620
Impairment of assets	**-**	-	**-**	-	**-**	-	**650**	-	**-**	-	**-**	-	**650**	-

GEOGRAPHICAL INFORMATION	SEGMENT REVENUES FROM EXTERNAL CUSTOMERS		CARRYING AMOUNT OF SEGMENT ASSETS		ACQUISITION OF NON CURRENT SEGMENT ASSETS	
	2013	2012	2013	2012	2013	2012
	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S
Australia	**56,897**	53,522	**64,439**	61,051	**925**	872
North America	**26,958**	25,199	**889**	1,003	**-**	-
Europe	**10,154**	7,044	**1,078**	(236)	**-**	-
Rest of World	**8,815**	4,966	**3,243**	2,615	**-**	1
	102,824	90,731	**69,649**	64,433	**925**	873

Notes to and forming part of the segment information

(A) ACCOUNTING POLICIES

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, capitalised production and development costs, investments, distribution advances, inventories, property, plant and equipment and goodwill and other intangible assets, net of any related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors, producers share payable, bills of exchange and employee entitlements.

(B) OTHER SEGMENTS

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's length" basis and are eliminated on consolidation.

(C) MAJOR CUSTOMERS

Included in total revenues is revenue from customers in excess of 10% of total revenue individually. Total revenues relating to these customers are $27.9m (2012: $22.7m) within the TV Production & Copyright and Film & Television distribution segments, and nil (2012:$11.9m) within the Home Entertainment segment.

3. REVENUES AND EXPENSES

		CONSOLIDATED ENTITY 2013 $000'S	2012 $000'S
(a)	**Revenue**		
	Operating activities		
	Sales revenue	**100,793**	89,349
	Royalty revenue	**1,880**	1,228
	Interest - other persons	**151**	154
		102,824	90,731
	Other income		
	Gain from release of earnout provision (note 6(d))	**300**	-
	Total Revenue	**103,124**	90,731
(b)	**Profit before tax includes the following:**		
	Bad and doubtful debts		
	- Trade receivables written off / (recovered) during the period	**(25)**	473
	- Trade receivables movement in provision (Note 7)	**167**	110
	Provision for non recovery of advances	**592**	302
	Rental expense on operating leases		
	- Minimum lease payments	**2,390**	1,994
	Finance costs		
	- External	**40**	42
	Loss on disposal of asset	**-**	5
	Depreciation and amortisation		
	- Tangible assets	**960**	1,047
	- Intangible assets	**649**	144
	- Other assets (Note 9)	**4,213**	3,902
		5,822	5,093
	- Impairment of assets (Note 12)	**650**	-
	Foreign exchange loss		
	Fair value (increase)/decrease in derivative financial instruments	**639**	98
	Other realised/unrealised foreign currency translation losses/(gains)	**(443)**	(68)
		196	30

		2013 $	2012 $
(c)	**Auditors' Remuneration**		
	Remuneration of the auditor of the parent entity and its controlled entities for:		
	- Audit or review of the financial report	**331,500**	338,000
	- Other assurance services	**27,000**	63,422
	- Tax compliance services	**33,500**	33,616
	Remuneration of other auditors of subsidiaries for:		
	- Audit or review of the financial report	**44,824**	54,364
	- Other assurance services	**1,223**	-
	- Tax compliance services	**24,468**	26,269

4. INCOME TAX EXPENSE

		CONSOLIDATED ENTITY 2013 $000'S	2012 $000'S
(a)	**The components of tax expense comprise:**		
	Current income tax	**1,036**	810
	Deferred income tax	**(33)**	280
	Adjustments in respect of current income tax of previous years	**118**	529
	Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	**1,121**	1,619
(b)	**The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:**		
	Profit before income tax	**10,602**	10,268
	Prima facie tax payable on profit from ordinary activities before income tax at 30% (2012: 30%)	**3,181**	3,080
	Less:		
	Tax effect of :		
	- Other nonassessable/deductible items	**(1,025)**	(1,416)
		2,156	1,664
	Less:		
	Tax effect of :		
	- Adjustments in respect of current income tax of previous years	**118**	529
	- Provision for prior period income tax losses recognised	**-**	302
	- Effect of lower tax rate on overseas income	**(1,053)**	(900)
	- Other	**(100)**	24
	Income tax expense	**1,121**	1,619
	The applicable weighted average effective tax rates are as follows:	**11%**	16%
(c)	**Deferred Tax**		
	Deferred tax assets		
	Deferred tax assets comprise:		
	Provisions and accruals	**2,185**	2,325
	Deferred tax assets attributable to tax losses	**304**	203
		2,489	2,528
	Deferred tax assets expected to be recovered within 12 months	**2,252**	2,312
	Deferred tax assets expected to be recovered after more than 12 months	**237**	216
		2,489	2,528
	Deferred tax liabilities		
	Deferred tax liabilities comprises:		
	Distribution guarantees and unrecouped program expenses	**5,167**	5,073
	Capitalised production costs and other expenses	**1,302**	1,468
		6,469	6,541
	Deferred tax liabilities expected to be recovered within 12 months	**6,039**	6,105
	Deferred tax liabilities expected to be recovered after more than 12 months	**430**	436
		6,469	6,541

Deferred tax liabilities for Beyond TV Properties Bermuda and Beyond Film Properties Bermuda totaling $862,503 (2012: $791,789) have not been recognised due to the existence of tax losses not brought to account.

4. INCOME TAX EXPENSE *(continued)*

Movement in deferred tax assets & deferred tax liabilities has gone through the Statement of Profit or Loss and Other Comprehensive Income, net of the effects of Business Acquisitions per note 4(a).

(d)	**Liabilities**		
	Current		
	Income tax	**365**	325

The above is a current provision for income tax payable by the parent and subsidiaries of the Consolidated Entity.

(e)	**Tax Consolidation**

Beyond International Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated regime. Each entity in the group recognises its own current and deferred tax assets, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the head entity, being Beyond International Limited. The current tax liability for each group entity is then subsequently assumed by the parent entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Pursuant to the funding arrangement, transfers of tax losses or tax liabilities are assumed by the head entity through intercompany loans.

5. EARNINGS PER SHARE

	CONSOLIDATED ENTITY	
	2013	2012
	CENTS PER SHARE	CENTS PER SHARE
Basic earnings per share:	**15.77**	14.39
Diluted earnings per share:	**15.12**	13.80

The following reflects the income and share data used in the basic and diluted earnings per share computations

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Net profit attributable to ordinary equity holders (used in calculating basic earning per share)	**9,273**	8,463
Net profit attributable to ordinary equity holders (used in calculating diluted earning per share)	**9,273**	8,463

Weighted average number of ordinary shares in calculating basic earnings per share	**Number**	Number
	58,799,468	58,799,468

Effect of dilution:		
Employee Share Plan (note 23)	**2,537,500**	2,537,500
Weighted average number of ordinary shares adjusted for the effect of dilution	**61,336,968**	61,336,968

6. CASH FLOW INFORMATION

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Cash at bank and in hand	**10,126**	5,725

The average effective interest rate on cash at bank was 1.73% (2012: 1.29%)

(a) Reconciliation of Cash		
For the purposes of the Statement of Cash Flows, cash and cash equivalent comprise the following at 30 June:		
Cash at bank and in hand	**10,126**	5,725

(b) Reconciliation of cash flows from operations with net profit after income tax		
Profit after income tax	**9,481**	8,649
Adjustment for non-cash flow in profit:		
Depreciation and amortisation	**5,822**	5,093
Net loss on sale of non-current assets	**-**	5
Impairment of assets	**650**	-
Unrealised foreign exchange (gain)/loss	**205**	(2)
Share options expensed	**48**	67
Changes in assets and liabilities, net of the effects of business acquisitions:		
(Increase)/decrease in trade and other receivables	**(1,319)**	(3,914)
Decrease/(increase) in inventory	**(427)**	(315)
(Increase)/decrease in other assets	**(2,605)**	(1,902)
Decrease/(increase) in deferred tax assets	**39**	363
Increase/(decrease) in trade and other creditors	**656**	(745)
(Increase)/decrease in deferred income tax liability	**(73)**	116
Increase/(decrease) in other liabilities	**(1,793)**	1,605
Increase/(decrease) in provisions	**184**	88
Cash flow from operations	**10,868**	9,108

(c) Disclosure of financing facilities
Details of credit standby arrangements and loan facilities are included in note 14.

(d) Acquisition of entities		
The cash outflow in the Statement of Cash Flows for payment for subsidiary, net of cash acquired is as follows:		
Acquisition of digital marketing business of Q Ltd	**-**	2,135
	-	2,135

Acquisition of digital marketing business of Q Ltd		
On 01 April 2012 Beyond D Pty Ltd and Beyond D (NZ) Limited, wholly owned subsidiaries of Beyond International Limited, acquired the digital marketing business of Q Ltd.		
Details of this transaction are:		
		$000'S
Purchase consideration		**2,435**

6. CASH FLOW INFORMATION *(continued)*

Asset and liabilities held at acquisition date:

	ACQUIREE'S CARRYING AMOUNT	FAIR VALUE
	$000'S	$000'S
Trade and other receivables	**1,915**	**1,915**
Plant & equipment	**308**	**308**
Intangible assets	**1,239**	**1,239**
Deferred tax asset	**-**	**99**
Trade and other payables	**(2,029)**	**(2,029)**
Employee benefits and accruals	**(477)**	**(477)**
Deferred tax liability	**-**	**(371)**
	956	**684**
Goodwill on consolidation		**1,751**
Reconciliation of cost of acquisition to cash outflow:		
	$000'S	
Instalments paid	**2,135**	
Cash outflow	**2,135**	
Deferred consideration (i)	**300**	
	300	
	2,435	
Acquisition costs expensed to profit or loss	**175**	

(i) An earnout payable to Q Ltd based on the agreed EBIT of the Beyond D business for the financial year ended 30 June 2013. The potential earnout ranged from $0 to $750,000 depending on the final EBIT. Based on the budgeted EBIT for Beyond D for the financial year ended 30 June 2013 the group recognised a deferred consideration provision of $300,000. However, based on the actual EBIT for the Beyond D business no earnout was payable and the deferred consideration provision of $300,000 was released and recognised in the Statement of Profit or Loss and Other Comprehensive Income (note 3(a)).

The goodwill is attributable to the expected profitability of the acquired business and the synergies expected to arise post acquisition. The acquisition will allow Beyond to expand its business into new markets. At 30 June 2013 an impairment loss of $650,000 was recognised against the goodwill on the acquisition of the Beyond D business (note 12).

Included in the purchase consideration of $2,435,000 was an amount of $500,000 paid into a retention account held by Beyond D Pty Ltd and Q Ltd. The balance in the retention account was payable to Q Ltd within 6 months of the acquisition date, contingent on trade debtors older than 60 days on the date of acquisition being collected. The balance of the remaining trade debtors not collected within 6 months (totalling $144,000) was returned to Beyond D Pty Ltd and offset against the relevant trade debtor balances.

The values identified in relation to the acquisition of the business of Q Ltd are final as at 30 June 2013.

7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Current		
Trade receivables (i)	**28,230**	27,078
Provision for impairment of receivables	**(2,282)**	(2,115)
	25,948	24,963
Non-current		
Trade receivables (i)	**4,519**	3,751
	4,519	3,751

(i) Credit terms for the Consolidated Entity's receivables vary between individual divisions. Distribution, Films and Productions debtors are generally due based on milestones achieved. Debtors within other divisions have credit terms ranging from 30 to 90 days. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, based on an assessment of individual debtors and the likelihood of recoverability. For Distribution & Films debtors, the Consolidated Entity provides fully for receivables over 360 days, with the exception of specific identifiable receivables which are still considered recoverable. Distribution and Film debtors consist largely of television networks, many of which are government owned, or are listed entities whose published annual reports indicate they continue to be credit-worthy.

Debtors within other divisions, including the Beyond D business unit, are provided for on a specific basis based on an assessment of recoverability. Home Entertainment debtors largely consist of multi-national retail chains, many of which are listed and whose published annual reports indicate they continue to be credit-worthy.

Included in the Consolidated Entity's trade receivables balance are debtors with a carrying amount of $5.53m (2012: $5.5m) which are past due between 0 and 180 days at the reporting date and are not considered to be impaired so have not been provided for. These amounts are considered recoverable based on reference to past collection experience.

Included in the Consolidated Entity's trade receivables balance are debtors with a carrying amount of $169,000 (2012: $59,000) which are past due more than 180 days at the reporting date and are not considered to be impaired so have not been provided for. 98% of this balance relates to three debtors whereby there has not been a significant change in credit quality and the amounts are still considered recoverable.

	CONSOLIDATED ENTITY			
	2013		2012	
	$000'S		$000'S	
Ageing of debtors	**Gross**	**Provision**	**Gross**	**Provision**
Not past due	**24,767**	**-**	23,202	-
Past due 0-90 days	**5,279**	**-**	4,587	-
Past due 91-180 days	**255**	**(3)**	890	(24)
Past due 180+ days	**2,448**	**(2,279)**	2,150	(2,091)
	32,749	**(2,282)**	30,829	(2,115)

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Reconciliation of provision for impairment of receivables		
Opening balance	**(2,115)**	(2,005)
Additional provision recognised	**(269)**	(200)
Utilised	**102**	90
Closing balance	**(2,282)**	(2,115)

8. INVENTORIES

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Current		
DVD Stock - raw material at cost	**1,020**	1,571
DVD Stock - finished goods at net realisable value	**3,161**	2,182
Stock footage - at cost	**40**	40
	4,221	3,793

9. OTHER ASSETS

Current		
Capitalised development costs	**1,396**	1,563
Less: deferred revenue	**(604)**	(774)
	792	789
Distribution advances	**3,458**	2,947
Provision for impairment of distribution advances (i)	**(1,796)**	(1,781)
	1,662	1,166
Prepaid royalties	**6,731**	6,642
Capitalised production costs	**4,758**	5,435
Prepayments	**455**	439
	5,213	5,874
	14,398	14,471
Non-current		
Distribution advances	**2,373**	2,157
Provision for impairment of distribution advances (i)	**(1,968)**	(1,618)
	405	539

(i) Distribution advances are monitored on a title by title basis. The provision detailed above is included within the depreciation and amortisation expense disclosed both in the Statement of Profit or Loss and Other Comprehensive Income and in Note 3(b).

10. FINANCIAL ASSETS & FINANCIAL LIABILITIES

		CONSOLIDATED ENTITY	
		2013	2012
	NOTES	$000'S	$000'S
Available-for-sale financial assets		**7**	39
Derivative financial assets		**-**	304
Derivative financial liabilities		**(335)**	-
		(328)	343
(a) Available-for-sale financial assets (non current)			
Listed investments:			
Shares - at fair value (i)		**7**	39
(b) Derivative financial assets and liabilities (current)			
Foreign currency forward contracts - at fair value	25	**(335)**	304

(i) In 2008, the Consolidated Entity purchased 10% of the ordinary share capital of Motive Television Plc. The shares have been revalued at year end to the closing share price at 30 June 2013, and losses including the revaluation to Australian dollar, totaling $32,245 have been recognised in Other Comprehensive Income.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	CONSOLIDATED ENTITY 2013			CONSOLIDATED ENTITY 2012		
	LEVEL 1	LEVEL 2	TOTAL	LEVEL 1	LEVEL 2	TOTAL
	$000'S	$000'S	$000'S	$000'S	$000'S	$000'S
Financial assets and financial liabilities:						
Financial assets at fair value through profit or loss:						
- derivative instruments	-	-	-	-	304	304
Available-for-sale financial assets:						
- listed investments	7	-	7	39	-	39
Financial liabilities at fair value through profit or loss:						
- derivative instruments	-	(335)	(335)	-	-	-
	7	(335)	(328)	39	304	343

Note: During the 2013 financial period, the Consolidated Entity had nil value of Level 3 financial assets and financial liabilities (2012: nil).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs. Movement in Level 1 financial instruments are recognised in other comprehensive income.

Derivative instruments are included in Level 2 of the hierarchy with the fair values being determined using valuation techniques incorporating observable market data relevant to the hedged position.

11. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED ENTITY		
	PLANT & EQUIPMENT	LEASED MV & EQUIPMENT	TOTAL
	$000'S	$000'S	$000'S
Year ended 30 June 2013			
Balance at 1 July 2012	1,600	109	1,709
Additions	925	-	925
Disposal	(20)	-	(20)
Depreciation charge for the year	(887)	(73)	(960)
Exchange adjustment	1	-	1
Carrying amount at 30 June 2013	**1,619**	**36**	**1,655**
As at 1 July 2012			
Cost	11,950	385	12,335
Accumulated depreciation and impairment	(10,350)	(276)	(10,626)
Net carrying amount	1,600	109	1,709
As at 30 June 2013			
Cost	12,252	385	12,637
Accumulated depreciation and impairment	(10,633)	(349)	(10,982)
Net carrying amount	**1,619**	**36**	**1,655**
Year ended 30 June 2012			
Balance at 1 July 2011	1,716	183	1,899
Additions	566	-	566
Additions through business combinations (Note 6(d))	308	-	308
Disposal	(15)	-	(15)
Depreciation charge for the year	(973)	(74)	(1,047)
Exchange adjustment	(2)	-	(2)
Carrying amount at 30 June 2012	1,600	109	1,709
As at 1 July 2011			
Cost	11,314	385	11,699
Accumulated depreciation and impairment	(9,598)	(202)	(9,800)
Net carrying amount	1,716	183	1,899
As at 30 June 2012			
Cost	11,950	385	12,335
Accumulated depreciation and impairment	(10,350)	(276)	(10,626)
Net carrying amount	1,600	109	1,709

12. INTANGIBLE ASSETS

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Patents and Licenses - at cost	**232**	232
Less: Accumulated amortisation	**(72)**	(67)
	160	165
Websites and Databases - at cost	**1,905**	1,365
Less: Accumulated amortisation	**(783)**	(139)
	1,122	1,226
Goodwill - at cost	**5,249**	5,220
Less: Impairment	**(650)**	-
	4,599	5,220
	5,881	6,611

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	CONSOLIDATED ENTITY			
	GOODWILL	WEBSITES AND DATABASES	PATENTS AND LICENSES	TOTAL
	$'000	$'000	$'000	$'000
Balance at 30 June 2011	3,469	-	170	3,639
Additions through business combinations (note 6(d))	1,751	1,239	-	2,990
Additions	-	126	-	126
Impairment of assets	-	-	-	-
Amortisation expense	-	(139)	(5)	(144)
Balance at 30 June 2012	5,220	1,226	165	6,611
Additions through business combinations (note 6(d))	-	-	-	-
Additions	29	540	-	569
Impairment of assets	(650)	-	-	(650)
Amortisation expense	-	(644)	(5)	(649)
Balance at 30 June 2013	4,599	1,122	160	5,881

Intangible assets, other than goodwill, have finite useful lives. Patents and licenses have been assessed as having a finite life and are amortised using the straight line method over 20 years. Websites and Databases have been assessed as having a finite life of 4 years and are amortised using the straight line method. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income. Goodwill is assessed as having has an infinite life subject to an annual impairment review.

If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

12. INTANGIBLE ASSETS *(continued)*

Impairment Disclosure

As disclosed in Note 6(d), in the 2012 financial year a deferred consideration provision of $300,000 was recognised on the acquisition of the Beyond D businesses, based on an agreed EBIT for the financial year ended 30 June 2013. However, based on the actual EBIT of the Beyond D business, no earnout was payable and the deferred consideration provision of $300,000 was released and recognised in the Statement of Profit or Loss and Other Comprehensive Income (note 3(a)).

In conjunction with the above, an impairment loss on the Goodwill recognised on the acquisition of the Beyond D businesses has been recognised in the 2013 financial year (2012: nil). As disclosed in Note 1 (AF), the directors have made judgments and estimates in respect of the impairment testing of goodwill. Based on the operating result for the Beyond D business (operating loss of $49,000), management used more conservative growth and discount rates when testing the sensitivity of the Digital Marketing division, which resulted in an impairment loss of $650,000 being recognised in the 2013 financial year.

The following assumptions were used in the value-in-use calculations:

	GROWTH RATE		DISCOUNT RATE	
Beyond D business	2%	(2012: 5%)	15%	(2012: 12%)
All other businesses	5 - 10%	(2012: 5-10%)	10 - 12%	(2012: 10-12%)

Historical performance of the relevant businesses show the above growth rate to be reasonable.

Sensitivity - Digital Marketing Division

As disclosed in Note 1 (AF) the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill may vary in carrying amount. The sensitivities are as follows:

a. If the growth rate decreased by 1% (i.e. from 2% to 1% or lower) or more in the digital marketing division, with all other assumptions remaining constant, further impairment of goodwill would be required.

b. If the discount rate increased by more than 1% (i.e. from 15% to 16% or higher) in the digital marketing division, with all other assumptions remaining constant, further impairment of goodwill would be required.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the digital marketing division goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment of the digital marketing division goodwill.

13. TRADE AND OTHER PAYABLES

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Current (unsecured)		
Trade payables (i)	**3,446**	2,669
Other creditors and accruals	**2,797**	2,589
	6,243	5,258

(i) Credit terms on trade payables vary between business units and range from 7 days to 90 days. Contractual maturities of trade and other payables have been disclosed in Note 25.

14. BORROWINGS

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
At amortised cost		
Current (secured)		
Lease liabilities (note 22)	**-**	36
	-	36
Non-Current (secured)		
Lease liabilities (note 22)	**-**	-
	-	-
Total current and non-current secured liabilities	**-**	36
Financing facilities available		
At reporting date, the following financing facilities had been negotiated and were available		
Secured bank overdraft facility		
Used at reporting date	**-**	-
Unused at reporting date	**1,216**	1,216
Total facility	**1,216**	1,216

The bank overdraft facility may be drawn at any time and may be terminated by the bank on demand.

The interest rate on the facility is the commercial base rate (8.80% at 30 June 2013).

The overdraft facility is secured by certain covenants on the Consolidated Entity that these financial conditions are met -

a) That earnings before interest, tax, depreciation and amortisation will exceed 1.25 x total group facility

b) Receivables must remain over $8,000,000 at all times

c) Minimum capital adequacy rate of 50%

Secured equipment loan facility		
Used at reporting date	**-**	41
Unused at reporting date	**500**	459
Total facility	**500**	500

The interest rate on the facility was 7.70% at 30 June 2013.

Amount of Assets Pledged as Security

Fixed and floating charge over assets	**69,649**	64,433
Total assets pledged as security	**69,649**	64,433

15. EMPLOYEE BENEFITS

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Current		
Provision for annual leave and long service leave	**3,004**	2,828
	3,004	2,828
Non-current		
Provision for long service leave	**549**	477
	549	477
Total employee benefits	**3,553**	3,305

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service. The entire amount of the provision is presented as current, since the consolidated entity does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Leave obligations expected to be settled after 12 months	**1,654**	1,389
	1,654	1,389

16. OTHER LIABILITIES

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Current		
Unsecured liabilities		
Deferred revenue	**3,808**	5,896
GST payable	**330**	683
Producer share payable	**5,634**	5,103
Other	**80**	385
	9,852	12,067
Non-current		
Unsecured liabilities		
Producer share payable	**745**	559
Other	**13**	93
	758	652

17. ISSUED CAPITAL

(a) Share Capital 61,336,968 ordinary shares - fully paid (2012: 61,336,968)	**33,315**	33,315

The company has authorised capital amounting to 100,000,000 ordinary shares of no par value.

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.

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

(b) Share Options

On 1 May 1998 at an extraordinary general meeting shareholders approved the establishment of the Beyond Employee Share Option Plan.

Under the plan the options are cancellable at the Directors discretion upon an option holder ceasing to be an employee (refer note 23).

(c) Employee Share Plan

On 7 December 2009 and 11 March 2010, a total of 1,625,000 shares were issued under the employee plan to eligible employees and directors, and the company has entered into loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules (refer note 23).

18. RESERVES

Employee Share Plan Benefit Reserve

The employee share plan benefit reserve records items recognised as expenses on valuation of employee share options.

Investment Revaluation Reserve

The investment revaluation reserve records unrealised share price and foreign exchange gains and losses on the available-for-sale financial asset in Note 10(a).

Foreign Currency Translation Reserve

The foreign currency translation reserve records the variance between converting the Statement of Financial Position at closing spot rate and the Statement of Profit or Loss and Other Comprehensive Income at average rate for Magna Home Entertainment NZ Limited and Beyond D (NZ) Limited which have a functional currency of New Zealand Dollars (NZD).

19. NON-CONTROLLING INTEREST

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
Interest in: Accumulated losses	**(242)**	(451)

20. DIVIDENDS

Distributions paid		
Interim unfranked ordinary dividend of three cents per share (2012: three cents)	**1,840**	1,840
On 27th August 2013, the directors declared a final unfranked dividend of four cents per share, totaling $2,453,479 (2012: three cents per share totaling $1,840,109).		
	2,453	1,840
Net franking credits available based on a tax rate of 30% (2012: 30%)	**577**	577

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the current tax liability
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date
(d) franking credits that may be prevented from being distributed in subsequent financial years

21. CONTINGENT ASSETS AND LIABILITIES

The consolidated entity had no contingent assets as at 30 June 2013 (2012: nil).

The consolidated entity has given bank guarantees as at 30 June 2013 of $1,344,287 (2012: $1,344,287) to various landlords.

22. COMMITMENTS

	CONSOLIDATED ENTITY	
	2013	2012
	$000'S	$000'S
(i) OPERATING LEASE COMMITMENTS		
Total lease expenditure contracted at reporting date but not recognised in the financial statements:		
Payable no later than one year	**2,345**	2,346
Payable later than one, not later than five years	**5,022**	6,361
Payable later than five years	**-**	694
	7,367	9,401

Operating lease commitments includes contracted amounts for various offices and plant and equipment under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

(ii) DISTRIBUTION GUARANTEE COMMITMENTS

In the course of the Consolidated Entity's feature film, television and Home Entertainment businesses, commitments to pay distribution guarantees and advances of minimum proceeds from sales have been made to producers at reporting date but not recognised in the financial statements:

	2013	2012
Not later than one year		
Distribution Guarantee	**953**	913
Home Entertainment Advances	**2,626**	1,837
Later than one year but not later than five years		
Distribution Guarantee	**663**	858
Home Entertainment Advances	**1,854**	-
Later than five years		
Home Entertainment Advances	**-**	-
	6,096	3,608

The above commitments to pay distribution guarantees have been entered into in the normal course of business.

(iii) FINANCE LEASE COMMITMENTS

Payable - minimum lease payments

	2013	2012
- not later than 12 months	**-**	41
- between 12 months and 5 years	**-**	-
Minimum lease payments	**-**	41
less Future finance charges	**-**	(5)
Present value of minimum lease payments	**-**	36

The hire purchase contracts were for various items of plant and equipment.

23. SHARE BASED PAYMENTS

General Employee Share Loan Plan

The Board has adopted an employee share plan under which employees and Directors of the Consolidated Entity may subscribe for shares in the Company using funds loaned to them by the Consolidated Entity. The Board has also adopted a share plan on substantially the same terms for consultants of the Consolidated Entity (Consultant Plan). The purpose of the Employee Plan is to:

(a) assist in the retention and motivation of employees and Directors of the Consolidated Entity by providing them with a greater opportunity to participate as shareholders in the success of the Consolidated Entity; and

(b) create a culture of share ownership amongst the employees of the Consolidated Entity.

There have been three issues of shares under the Employee Share plan as follows:

- On 12 April 2006, 962,500 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and its controlled entities. 912,500 of these shares remain exercisable at 30 June 2013.
- On 7 December 2009, 300,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and it's controlled entities.
- On 11 March 2010, 1,325,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and it's controlled entities.

In all cases the company entered into loan agreements to provide participants the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules.

The loans are made based on the greater of market value of the shares on allotment date and $0.645 (Dec 09 – 2010 plan), $0.75 (Mar 10 - 2010 plan) & $0.60 (2006 plan). The plan is accounted for and valued as an option plan, with the contractual life of each option equivalent to the estimated loan life. There are no cash settlement alternatives with the repayment of the loan representing exercise of the options.

Notwithstanding any other provision of the Plan, each Participant has a legal and beneficial interest in the Shares issued to him or her and is at all times absolutely entitled to those Plan Shares, except that any dealings with those Shares by the Participant may be restricted in accordance with the plan rules. Plan Shares rank equally with all existing Shares from the date of issue in respect of all rights issues, bonus issues, dividends and other distributions to, or entitlements of, holders of existing Shares where the record date for such corporate actions is after the relevant Plan Shares are issued.

Share movements in the plan as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	GRANT TOTAL FAIR VALUE $
Outstanding at the beginning of year	2,537,500	0.684	304,505
Issue of shares under the employee share plan	-		-
Exercisable at year end	2,537,500	0.684	304,505

The grant fair value of the shares under the Dec 09 & March 10 plan is amortised across the vesting periods as follows:

VESTING PERIOD	AMORTISATION $
11 March 2010 to 30 June 2010	15,587
Financial year ending 30 June 2011	66,718
Financial year ending 30 June 2012	66,718
Financial year ending 30 June 2013	47,602

23. SHARE BASED PAYMENTS *(continued)*

The grant fair value of the 2010 plan was calculated by using the Black Scholes option pricing model applying the following inputs:

	Weighted average exercise price	$0.75
	Weighted average life of the option	3
	Underlying share price	$0.75
	Expected share price volatility (i)	30%
	Risk free interest rate	5.00%
	Expected dividend rate	6.00%
Weighted average fair value price		$0.10

(i) Expected share price volatility has been estimated based on the historical volatility of the Company's share price.

24. CONTROLLED ENTITIES

(a) Controlled entities consolidated

NAME OF ENTITY	COUNTRY OF FORMATION OR INCORPORATION	BEYOND INTERNATIONAL LIMITED DIRECT INTEREST IN ORDINARY SHARES	
		2013 %	2012 %
Ultimate parent entity			
Beyond International Limited	Australia		
Controlled entities of Beyond International Limited:			
Beyond Films Limited	Australia	100	100
Beyond Television Group Pty Ltd	Australia	100	100
Beyond Television Pty Ltd	Australia	26	26
Beyond Entertainment Pty Ltd	Australia	100	100
Beyond Simpson le Mesurier Pty Ltd	Australia	51	51
Liberty & Beyond Pty Ltd	Australia	51	51
Beyond Imagination Pty Ltd	Australia	51	51
Beyond Miall Kershaw Pty Ltd	Australia	51	51
Pacific & Beyond Pty Ltd	Australia	51	51
Beyond Screen Productions Pty Ltd	Australia	51	51
Beyond Home Entertainment Pty Ltd	Australia	100	100
Beyond Entertainment Holdings Limited	Ireland	100	100
Beyond D Pty Ltd	Australia	100	100
Beyond West Pty Ltd	Australia	100	-
Controlled entities of Beyond Entertainment Pty Ltd:			
Mullion Creek and Beyond (partnership)	Australia	51	51
Equus Film Productions Pty Ltd	Australia	51	51
Controlled entities of Liberty & Beyond Pty Ltd:			
Liberty & Beyond Productions Pty Ltd	Australia	100	100

24. CONTROLLED ENTITIES *(continued)*

NAME OF ENTITY	COUNTRY OF FORMATION OR INCORPORATION	BEYOND INTERNATIONAL LIMITED INTEREST IN ORDINARY SHARES	
		2013 %	2012 %
Controlled entities of Beyond Television Group Pty Ltd:			
Beyond Television Pty Ltd	Australia	74	74
Controlled entities of Beyond Television Pty Ltd:			
Beyond Properties Pty Ltd	Australia	100	100
Beyond Productions Pty Ltd	Australia	100	100
Beyond Distribution Pty Ltd	Australia	100	100
Controlled entities of Beyond Properties Pty Ltd:			
Beyond Pty Ltd	Australia	100	100
Beyond International Group Inc	USA	100	100
The Two Thousand Unit Trust *	Australia	100	100
* The corporate trustee of the trust is Beyond Properties Pty Ltd.			
Controlled entities of Beyond International Group Inc:			
Beyond Productions Inc	USA	100	100
Controlled entities of Beyond Simpson le Mesurier Pty Ltd:			
Beyond Simpson le Mesurier Productions Pty Ltd	Australia	100	100
BSLM Productions Pty Ltd	Australia	100	100
Something in the Air Pty Ltd	Australia	100	100
Something in the Air 2 Pty Ltd	Australia	100	100
Beagle Productions Pty Ltd	Australia	100	100
Stingers 3 Pty Ltd	Australia	100	100
Stingers 4 Pty Ltd	Australia	100	100
Stingers 5 Pty Ltd	Australia	100	100
Halifax 5 Pty Ltd	Australia	100	100
Halifax 6 Pty Ltd	Australia	100	100
Controlled entities of Beyond Entertainment Holdings Limited			
Beyond Entertainment Limited	Ireland	100	100
Beyond Films Limited	Ireland	100	100
Controlled entities of Beyond Distribution Pty Limited			
Beyond TV Properties Bermuda	Bermuda	100	100
Controlled entities of Beyond Films Limited			
Beyond Film Properties Bermuda	Bermuda	100	100
Controlled entities of Beyond Home Entertainment Pty Limited			
Magna Home Entertainment Pty Ltd	Australia	100	100

24. CONTROLLED ENTITIES *(continued)*

Controlled entities of Magna Home Entertainment Pty Limited			
Magna Home Entertainment (NZ) Limited	New Zealand	100	100
Controlled entities of Beyond D Pty Ltd			
Beyond D (NZ) Ltd	New Zealand	100	100
Entity controlled jointly by Beyond TV Properties Bermuda and Beyond Films Properties Bermuda Beyond International Services Limited			
	United Kingdom	100	100

25. FINANCIAL INSTRUMENTS

(i) Capital Risk Management

The Consolidated Entity manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders. The Consolidated Entity's strategy remains unchanged from 2012.

The capital structure of the group consists of cash and equity attributable to the equity holders of the parent entity, comprising issued capital, reserves and retained earnings. The Consolidated Entity operates globally, primarily through subsidiary companies established in the markets in which the group trades. The consolidated entity is subject to certain financing arrangements covenants and meeting these are given priority in all capital risk management decisions. For further details on events of default on these financing arrangements, refer to note 14.

Operating cash flows are used to make the routine outflows of tax and dividends.

(ii) Market Risk

The Consolidated Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 25 (iii)).

(iii) Foreign Currency Risk Management

The Consolidated Entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

Derivative financial instruments are used by the Consolidated Entity to hedge exposure to exchange rate risk associated with foreign currency trade receivables. Mark-to-market gains on derivative financial instruments used by the economic entity are recognised in the financial statements. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

Foreign currency sensitivity analysis

The Consolidated Entity is mainly exposed to US dollars (USD), Euro (EUR), Great British Pound (GBP) and New Zealand Dollars (NZD).

The carrying amount of the foreign currency denominated financial assets and liabilities at the reporting date is as follows:

CONSOLIDATED ENTITY	2013		2012	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
	$000'S	$000'S	$000'S	$000'S
US Dollars	**6,911**	**676**	4,383	163
Euro	**2,279**	**88**	1,482	71
British Pound	**924**	**57**	256	45
New Zealand Dollars	**395**	**715**	400	130
Other	**72**	**-**	300	-
	10,581	**1,536**	6,821	409

25. FINANCIAL INSTRUMENTS *(continued)*

The following table details the Consolidated Entity's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. A sensitivity rate of 10% is considered reasonable based on exchange rate fluctuations over the past 12 months. The sensitivity analysis includes only outstanding foreign currency financial assets and liabilities and adjusts their translation at the period end for a 10% change in foreign currency rates.

CONSOLIDATED ENTITY	2013		2012	
	10% INCREASE	10% DECREASE	10% INCREASE	10% DECREASE
	$000'S	$000'S	$000'S	$000'S
Profit/(loss)	**(479)**	**586**	335	(410)
Other reserves	**(1)**	**1**	(4)	4
	(480)	**587**	331	(406)

Forward foreign exchange contracts

It is the policy of the Consolidated Entity to enter into forward foreign exchange contracts to cover specific production foreign currency receipts.

The Consolidated Entity does not enter into derivative financial instruments for speculative purposes.

The following table details the forward foreign currency contracts outstanding as at the reporting date.

CONSOLIDATED ENTITY	AVERAGE EXCHANGE RATE	PRINCIPAL AMOUNT	AVERAGE EXCHANGE RATE	PRINCIPAL AMOUNT
	2013	2013	2012	2012
		$000'S		$000'S
Outstanding Contracts				
Sell USD				
Less than 3 months	**0.9980**	**2,737**	0.9910	5,072
3 to 6 months	**1.0063**	**1,569**	0.9727	1,679
Longer than 6 months	**0.9913**	**518**	0.9543	3,301
		4,824		10,051
Gains or Losses from forward exchange contracts				
Unrealised Gains		**-**		304
Unrealised Losses		**335**		-
		335		304

(iv) Interest Rate Risk Management

The Consolidated Entity's exposure to interest rate risk is minimal. The group does not have significant borrowings in the current or prior periods. At 30 June 2013 there are no borrowings attached to variable interest rates.

The Consolidated Entity's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note, per below.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A sensitivity analysis of 50 basis points is considered reasonable based on interest rate fluctuations over the past 12 months.

At reporting date, if interest rates had been 50 points higher or lower and all other variables were held constant, net interest received from cash held by the Consolidated Entity would increase or decrease by $33,851 (2012: $28,122).

25. FINANCIAL INSTRUMENTS *(continued)*

(v) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity management requirements. This framework is not formally documented. The Consolidated Entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. Included in note 14 is a listing of additional undrawn facilities that the Consolidated Entity has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

The following tables detail the Consolidated Entity's remaining contractual maturity for it's financial liabilities.

CONSOLIDATED ENTITY	NOTES	AVERAGE INTEREST RATE %	LESS THAN 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5+ YEARS	TOTAL OUTFLOWS	CARRYING AMOUNT
			$000'S	$000'S	$000'S	$000'S	$000'S	$000'S
2013								
Financial liabilities								
Trade & other payables	13	-	6,243	-	-	-	6,243	6,243
Financial derivatives	10	-	304	30	1	-	335	335
Producer share payable	16	-	2,817	2,817	745	-	6,379	6,379
Other payables	16	-	370	40	13	-	423	423
Finance leases	14	-	-	-	-	-	-	-
Total financial liabilities			9,734	2,887	759	-	13,380	13,380
2012								
Financial liabilities								
Trade & other payables	13	-	5,258	-	-	-	5,258	5,258
Producer share payable	16	-	2,552	2,552	559	-	5,663	5,663
Other payables	16	-	728	40	393	-	1,161	1,161
Finance leases	14	14.22	41	-	-	-	41	36
Total financial liabilities			8,579	2,592	952	-	12,123	12,118

(vi) Credit Risk Exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by credit rating agencies and, if not available, the Consolidated Entity uses publicly available financial information to assess the credit-worthiness.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing reviews are conducted of accounts receivable balances. The Consolidated Entity does not have significant credit risk exposure to any single counterparty. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on financial assets of the Consolidated Entity which are recognised on the Statement of Financial Position is generally the carrying amount, net of any provisions for doubtful debts.

(vii) Price Risk

The Consolidated Entity is marginally exposed to equity price risk arising from the equity investments classified as available-for-sale assets in Note 10(a). Equity investments are held for strategic rather than trading purposes. The Consolidated Entity does not actively trade in this investment.

25. FINANCIAL INSTRUMENTS *(continued)*

(viii) Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date and the stipulated change taking place at the reporting date. A sensitivity analysis of 20 percent is considered reasonable based on movements in equity markets over the last twelve months.

At reporting date, if the relevant equity price had been 20 percent higher or lower and all other variables were held constant, the Consolidated Entity's reserves would increase or decrease by $1,334 (2012: $7,785), as a result of changes in fair value of available-for-sale shares.

(ix) Net Fair Value of Financial Instruments

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying values. A discount rate of 8% (2012: 8%) has been applied to all non-current receivables & borrowings to determine fair value.

The net fair value of other monetary financial assets and 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.

For forward exchange contracts the net fair value is taken to be the unrealised gain or loss as at the date of the report calculated by reference to the current forward rates for similar contracts.

	CARRYING AMOUNT		NET FAIR VALUE	
	2013	2012	2013	2012
	$000'S	$000'S	$000'S	$000'S
Financial assets				
Cash and cash equivalents	**10,126**	5,725	**10,126**	5,725
Loans and receivables	**30,467**	28,714	**30,132**	28,436
Financial derivatives	**-**	304	**-**	304
Available-for-sale	**7**	39	**7**	39
	40,600	34,782	**40,265**	34,504
Financial liabilities, at amortised cost				
Finance leases	**-**	36	**-**	36
Trade & other payables	**6,243**	5,258	**6,243**	5,258
Other payables	**423**	1,161	**423**	1,161
Financial derivatives	**335**	-	**335**	-
Producer share payable	**6,379**	5,662	**6,324**	5,621
	13,380	12,117	**13,325**	12,076

26. KEY MANAGEMENT PERSONNEL COMPENSATION

Directors
The following persons were directors of Beyond International Limited during the financial year:

Chairman
Ian Ingram

Executive directors
Mikael Borglund - Managing Director

Non-executive directors
Anthony Lee
Ian Robertson

Executives (other than directors) with the greatest authority for strategic direction and management
The following persons were the eight executives with the greatest authority for the strategic directions and management of the Consolidated Entity ("specified executives") during the financial year.

Name	**Position**	**Employer**
J Luscombe	General Manager – Productions & Executive Vice President	Beyond Television Group Pty Limited
T McGee	General Manager – Business Development	Beyond Television Group Pty Limited
F Crago	General Manager – Distribution (resigned 27 February 2013)	Beyond Television Group Pty Limited
M Murphy	General Manager – Distribution (appointed 01 March 2013)	Beyond Entertainment Limited
R Milne	General Manager – Finance & Company Secretary	Beyond Television Group Pty Limited
P Tehan	General Manager – Legal & Business Affairs	Beyond Television Group Pty Limited
P Maddison	General Manager – Home Entertainment	Beyond Home Entertainment Pty Limited
J Ostler	General Manager – Beyond D	Beyond D Pty Limited

Information on key management personnel compensation is disclosed below and in the Directors' Report.

(ii) REMUNERATION

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	CONSOLIDATED ENTITY	
	2013	2012
	$	$
Short-term employee benefits	**3,651,798**	3,159,443
Post-employment benefits	**135,735**	118,681
Long-term benefits	**-**	-
Share-based payments	**21,238**	29,767
	3,808,771	3,307,891

26. KEY MANAGEMENT PERSONNEL COMPENSATION *(continued)*

(iii) SHAREHOLDINGS

Number of Shares held by Directors and Specified Executives, including their personally related parties

2013					
PARENT ENTITY DIRECTORS	BALANCE 1.07.12	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.13
M Borglund	3,509,101	-	-	-	3,509,101
I Ingram	12,157,561	-	-	1,840,000	13,997,561
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	21,251,659	-	-	1,840,000	23,091,659

SPECIFIED EXECUTIVES	BALANCE 1.07.12	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.13
J Luscombe	273,478	-	-	-	273,478
T McGee	75,000	-	-	-	75,000
F Crago	125,000	-	-	-	125,000
R Milne	150,000	-	-	-	150,000
P Tehan	75,000	-	-	-	75,000
P Maddison	75,000	-	-	-	75,000
M Murphy	-	-	-	-	-
J Ostler	-	-	-	-	-
Total	773,478	-	-	-	773,478

2012					
PARENT ENTITY DIRECTORS	BALANCE 1.07.11	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.12
M Borglund	3,509,101	-	-	-	3,509,101
I Ingram	12,116,138	-	-	41,423	12,157,561
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	21,210,236	-	-	41,423	21,251,659

SPECIFIED EXECUTIVES	BALANCE 1.07.11	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.12
J Luscombe	273,478	-	-	-	273,478
T McGee	75,000	-	-	-	75,000
F Crago	125,000	-	-	-	125,000
R Milne	150,000	-	-	-	150,000
P Tehan	75,000	-	-	-	75,000
P Maddison	75,000	-	-	-	75,000
Total	773,478	-	-	-	773,478

* Net Change Other refers to shares purchased or sold during the financial year.

27. RELATED PARTIES

(i) CONTROLLING ENTITIES

Beyond International Limited is the ultimate parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities which are disclosed in note 24.

(ii) DIRECTORS AND DIRECTOR-RELATED ENTITIES

The following persons each held office as a director of the Company during the financial year:

- I Ingram
- M Borglund
- A Lee
- I Robertson

Information on remuneration benefits of directors and shareholdings is disclosed in note 26 and the Directors Report.

Loans to key management personnel

There were no outstanding loans as at 30 June 2013 or at any point during the year (2012: nil).

Equity transactions with directors and their director-related entities

The aggregate number of equity instruments acquired or disposed of by directors of the Consolidated Entity and their director-related entities during the year were:

			CONSOLIDATED ENTITY	
			2013	2012
			NUMBER	
Acquisitions	Ordinary shares		**1,840,000**	41,423
Disposals	Ordinary shares		**-**	-

The aggregate number of equity instruments held by directors of the Consolidated Entity and their director-related entities at balance date were:

Issuing entity	*Class of equity instruments*	NUMBER	
Beyond International Limited	Ordinary shares	**23,091,659**	21,251,659
	Options over ordinary shares	**-**	-

Other transactions with directors of the Company and controlled entities and their director-related entities

The following directors and their director related entities provided executive producer services to entities in the Consolidated Entity.

		CONSOLIDATED ENTITY	
		2013	2012
		$	$
Directors Denis Spencer	*Director related entity* Beyond Screen Productions Pty Ltd	**24,000**	24,000
All transactions are on normal terms and conditions and in the ordinary course of business.			
The aggregate amounts recognised in respect of each of the above transactions with directors of entities in the Consolidated Entity and their director-related entities: *Transaction type* Executive producer services		**24,000**	24,000

27. RELATED PARTIES *(continued)*

(iii) TRANSACTIONS WITH ENTITIES IN THE WHOLLY-OWNED GROUP

Beyond International Limited is the ultimate parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities. The Company advanced and repaid loans, received loans, provided management services, received dividends and charged rent to other entities in the wholly-owned group during the current and previous financial years. With the exception of loans advanced free of interest to wholly-owned subsidiaries, these transactions were on commercial terms and conditions. Such loans are repayable on demand.

(iv) TRANSACTIONS WITH OTHER RELATED PARTIES

		CONSOLIDATED ENTITY	
		2013	2012
		$	$
The aggregate amounts recognised in respect of the following types of transactions and each class of related party involved were:			
Transaction type	*Class of other related party*		
Legal services (Holding Redlich)	Associates	**110**	26,363
Joint lease of premises (Motive Television Plc)	Associates	**-**	14,449

The above transactions were made on commercial terms and conditions, at market rates.

J Luscombe is a director of Ryzara Pty Ltd. The company has received payments for services rendered by J Luscombe during the year. These fees are included as part of the Executive Remuneration disclosed in Note 26 and the Directors Report.

M Murphy is a director of Rockabill Media Limited. The company has received payments for services rendered by M Murphy during the year. These fees are included as part of the Executive Remuneration disclosed in Note 26 and the Directors Report.

William Borglund (M Borglund's son) is a director of Axphon Pty Ltd. Beyond D Pty Ltd has provided website development services to Axphon Pty Ltd, with a total value of $3,663 (2012: nil) during the financial year.

M Borglund is a director of Wight Expedition Films Pty Ltd. Beyond International Limited has provided services - including executive producer, production, production accountancy and administration services - to Wight Expedition Films Pty Ltd.

	CONSOLIDATED ENTITY	
	2013	2012
	$	$
Value of services provided	**38,850**	168,650
Amount of the services provided to date which has been recognised in the financial year	**91,500**	-

(v) TRANSACTIONS WITHIN THE WHOLLY OWNED GROUP

Due to the nature of the operations of the Consolidated Entity, normal operating transactions take place between subsidiaries within the group. These are all at arms length and are eliminated on consolidation.

28. PARENT ENTITY

The following information relates to the parent entity Beyond International Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	PARENT ENTITY	
	2013	2012
	$000'S	$000'S
Statement of financial position		
Current assets	**10,184**	9,509
Non-current assets	**8,826**	8,842
Total assets	**19,010**	18,351
Current liabilities	**809**	508
Non-current liabilities	**-**	-
Total liabilities	**809**	508
Contributed equity	**33,315**	33,315
Reserves	**341**	293
Accumulated losses	**(15,455)**	(15,765)
Total equity	**18,201**	17,843
Profit for the year	**3,782**	4,277
Other comprehensive income	**-**	-
Total comprehensive income for the year	**3,782**	4,277

Contingent Assets and Liabilities

The parent entity has given a bank guarantee as at 30 June 2013 of $579,416 (2012: $579,416) to its landlord.

Capital Commitments - Operating Lease Commitments

Total lease expenditure contracted at reporting date but not recognised in the financial statements:

Payable no later than one year	**627**	604
Payable later than one, not later than five years	**2,732**	2,548
Payable later than five years	**-**	694
	3,359	3,846

29. SUBSEQUENT EVENTS

(i) DIVIDEND

Final dividend declared as detailed in Note 20. With the exception of the dividends, there are no subsequent events to disclose.

30. COMPANY DETAILS

The registered office & principal place of business of the company is :

Beyond International Limited
109 Reserve Rd
Artarmon, NSW 2064
Australia

Ultimate Fighting Championships

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- • the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- • the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date;
- • there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Mikael Borglund
Managing Director
27 August 2013
Sydney

BDO

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www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Beyond International Limited

Report on the Financial Report

We have audited the accompanying financial report of Beyond International Limited, which comprises the consolidated statement of financial position as at 30 June 2013, 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 1(A), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial State*ments, 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 disclosing entity'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 disclosing entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

BDO

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 Beyond International 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 Beyond International 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 2013 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 1(A).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. 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 Beyond International Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Craig Maxwell

Craig Maxwell
Partner

Sydney, 27 August 2013

SHAREHOLDER INFORMATION

A. SUBSTANTIAL SHAREHOLDERS

The Company's Substantial Shareholders and the number of equity securities in which they have an interest as at September 2013 are:

Ian Ingram, Sealion Media Limited have a relevant interest in 15,836,716 full paid ordinary shares.

Freemantle Media Overseas Limited have a relevant interest in 11,948,422 full paid ordinary shares.
National Nominees Limited and Mr Anthony Lee have a relevant interest in 5,474,997 full paid ordinary shares.
Mikael Borglund and Axphon Pty Limited have a relevant interest in 2,881,884 full paid ordinary shares.

B. DISTRIBUTION OF EQUITY SECURITIES

i. Schedule of distribution Ordinary Shares of holdings as of September 2013

RANGE	TOTAL HOLDERS
1 - 1,000	205
1,001 - 5,000	207
5,001 - 10,000	87
10,001 - 100,000	148
100,001 - 9,999,999,999	38
Rounding	
Total	**685**

ii. There were 94 holders of less than a marketable parcel of shares.

C. TWENTY LARGEST SHAREHOLDERS

BEYOND INTERNATIONAL LIMITED

RANK	HOLDER	UNITS	% OF ISSUED CAPITAL
1.	FREMANTLEMEDIA OVERSEAS	11,948,422	19.48%
2.	SEALION MEDIA LIMITED	11,338,888	18.49%
3.	NATIONAL NOMINEES LIMITED	5,350,592	8.72%
4.	MR IAN INGRAM	4,497,828	7.33%
5.	CLIPPER HOLDINGS LTD	2,957,862	4.82%
6.	WILVESTOR LIMITED	2,531,111	4.13%
7.	WILGRIST NOMINEES LIMITED	2,416,224	3.94%
8.	MS YUN CHUN MARIE CHRISTINE	2,228,044	3.63%
9.	AXPHON PTY LIMITED	1,741,888	2.83%
10.	NOMITOR LIMITED	1,581,751	2.58%
11.	MR RAYMOND DAVID DRESDNER &	1,290,000	2.10%
12.	MR MIKAEL JOHN BORGLUND	1,139,996	1.86%
13.	PEARL FINANCE LIMITED	1,012,500	1.65%
14.	MS IRENE YUN LIEN LEE	575,300	0.94%
15.	SOURCE INCORPORATED	559,016	0.91%
16.	DIXSON TRUST PTY LIMITED	546,820	0.89%
17.	LSW INVESTMENTS PTY LIMITED	470,000	0.77%
18.	MS EMILY CLAIRE INGRAM	340,000	0.55%
19.	G CHAN PENSION PTY LTD	329,485	0.54%
20.	DEBOURS PTY LIMITED	275,524	0.44%
Totals: Top 20 holders of ISSUED CAPITAL		**53,131,251**	**86.62%**
Total Remaining Holders Balance		**8,205,717**	**13.38%**

D. VOTING RIGHTS

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

CORPORATE DIRECTORY

Ahn Does Britain

DIRECTORS

Ian Ingram
Chairman of Directors
109 Reserve Road
Artarmon NSW 2064

Mikael Borglund
Managing Director
109 Reserve Road
Artarmon NSW 2064

Anthony Lee
Non-Executive Director
109 Reserve Road
Artarmon NSW 2064

Ian Robertson
Non-Executive Director
109 Reserve Road
Artarmon NSW 2064

OFFICERS

Mikael Borglund
Chief Executive Officer

Robert Milne
Company Secretary

OFFICES

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109 Reserve Road
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Facsimile: 61 2 9437 2181
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Facsimile: 353 1 639 4944

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41/42 Berners Street
London W1T 3NB
United Kingdom
Telephone: 44 20 7323 3444
Facsimile: 44 20 7580 6479

AUDITOR / ACCOUNTANT / ADVISORS

BDO East Coast Partnership
Chartered Accountants
Level 11, 1 Margaret Street
Sydney NSW 2000

BANKERS

St George Bank
Level 12, 55 Market Street
Sydney NSW 2000

Bank of Ireland
Colvill House
Talbot Street
Dublin 1
Ireland

SOLICITORS

Arnold Bloch Leibler
Level 24, 2 Chifley Square
Sydney NSW 2000

Holding Redlich
Level 65, MLC Centre
19 Martin Place
Sydney NSW 2000

Gaines, Solomon Law Group LLP
1901 Avenue of the Stars
Suite 1100
Los Angeles, California 90067
United States of America

SHARE REGISTRY

Computer Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone: 1300 855 080

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Beyond International Annual Report

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