

Appendix 4E

Preliminary final report Year ended on 30 June 2013

Item 1

Name of entity

GOCONNECT LIMITED

ACN or equivalent company reference

089 240 353

Current reporting period

30 June 2013

Previous corresponding period

30 June 2012

Item 2

RESULTS FOR ANNOUNCEMENT TO THE MARKET

2.1 Revenues from continuing operations	Up	21.17%	to	398,335
2.2 Loss from continuing operations after tax attributable to members	Down	34.46%	to	(2,131,914)
2.3 Net loss for the period attributable to members	Down	34.46%	to	(2,131,914)

2.4 Dividends distributions

No dividends are proposed or paid during the reporting period and the previous corresponding period.

For explanation relating to item 2.1; 2.2 and 2.3 please see **item 12**

Item 3 – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current period \$	Previous corresponding period - \$
Revenue from continuing operations		398,335	328,741
Virtual Internet Service network operating costs		(82,534)	(80,048)
Employee benefits expense		(1,613,656)	(2,194,452)
Depreciation and amortisation expenses		(67,634)	(84,161)
Finance costs		(56,713)	(103,975)
Research and development expense		(854)	(337)
Impairment loss		(30,796)	-
Office rent expense		(202,668)	(168,273)
Other expenses		(475,393)	(950,170)
Share of net loss of associates		-	-
Loss before income tax		(2,131,914)	(3,252,675)
Income tax (expense)		-	-
Loss for the year		(2,131,914)	(3,252,675)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,131,914)	(3,252,675)
Loss attributable to:			
Member of the parent entity		(2,131,914)	(3,252,675)
Non-controlling interest		-	-
Total comprehensive loss attributable to:			
Member of the parent entity		(2,131,914)	(3,252,675)
Non-controlling interest		-	-
Loss per share			
From continuing operations		Cents	Cents
Basic loss per share	2	(0.2)	(0.4)
Diluted loss per share	2	(0.2)	(0.4)

The notes to this statement are contained in the accompanying Attachment.

Appendix 4E
Preliminary final report
Year ended on 30 June 2013

Item 4 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Current period \$	Previous corresponding period - \$
ASSETS			
Current assets			
Cash and cash equivalents		915	1,606
Trade and other receivables		194,965	190,801
Royalty advances		-	74,353
Inventories		1,452	1,452
Other financial asset		20	-
Other current assets		-	8,388
Total current assets		197,352	276,600
Non-current assets			
Investments accounted for using the equity method	4	40	-
Intangible asset	5	4,422,387	4,508,537
Plant and equipment		18,814	24,526
Total non-current assets		4,441,241	4,533,063
Total assets		4,638,593	4,809,663
Current liabilities			
Trade and other payables		4,079,087	3,120,108
Borrowings		-	573,153
Short-term provisions		74,133	61,545
Total current liabilities		4,153,220	3,754,806
Non-current liabilities			
Borrowings		1,127,562	962,669
Long-term provisions		4,567	5,700
Total non-current liabilities		1,132,129	968,369
Total liabilities		5,285,349	4,723,175
Net assets (liabilities)		(646,756)	86,488
Equity			
Issued capital	6	45,041,170	43,438,603
Reserves		650,000	853,897
Accumulated loss	7	(46,362,426)	(44,230,512)
Parent interest		(593,112)	61,988
Non-controlling interest		24,500	24,500
Total equity (capital deficiency)		(646,756)	86,488

The notes to this statement are contained in the accompanying Attachment.

Item 5 – CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Current period \$	Previous corresponding period - \$
Cash flows from operating activities			
Receipts from customers		80,491	76,057
R&D Tax Offset Rebate		283,543	218,136
Payments to suppliers and employees		(1,074,292)	(2,213,102)
Interest received		174	-
Finance costs		(5,592)	(11,111)
Net cash used in operating activities	8(B)	(715,676)	(1,930,020)
Cash flows from investing activities			
Investment in subsidiaries		(788)	-
Loans to other entities		(5,577)	(7,548)
Payment for property, plant and equipment		(6,579)	(4,778)
Net cash used in investing activities		(12,944)	(12,326)
Cash flows from financing activities			
Proceeds from issue of shares		500,000	1,940,693
Proceeds from borrowings		227,929	-
Net cash provided by financing activities		727,929	1,940,693
Net increase (decrease) in cash held		(691)	(1,653)
Cash at beginning of financial year		1,606	3,259
Cash at end of financial year	8(A)	915	1,606

The notes to this statement are contained in the accompanying Attachment.

Item 6

Details of individual and total dividends or distributions and dividend or distribution payments – N/A

Item 7

Details of any dividend or distribution reinvestment plans – N/A

Item 8

A statement of retained earnings showing movements – See Note 7 in the accompanying Attachment

Item 9

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	(0.52) cents	(0.48) cents

Item 10

Details of entities over which control has been gained or lost during the period – See Note 3 in the accompanying Attachment

Item 11

Details of associates and joint venture entities – See Note 4 in the accompanying Attachment

Item 12

Other significant information

The consolidated operating revenue of GoConnect Limited group (“the Group” or “GoConnect”) increased by 21.17% to 398,336 for the financial year compared to \$ 328,741 in the previous year.

The consolidated operating loss after income tax of the Group decreased by 34.46% to \$2,131,914 for the financial year compared to a loss of \$3,252,675 in the previous year.

REVIEW OF OPERATIONS

The decrease in operating loss above was due largely to savings in operating overheads from restructuring of the Group’s businesses by combining GoConnect Australia, PLW Entertainment, and Undercover into a single business unit, resulting in significant reduction in overheads in the GoConnect Group of companies. Total number of employees decreased from 30 at June 2011 to 10 full time employees as at 30 June 2013. Total reduction in staff overheads on an annual basis was over \$500,000.

Free WiFi Media Platform

GoConnect is the appointed media sales agent for the Metro Netbay Free WiFi Marketing platform and has received support from a number of advertisers and advertising agencies. The Metro Netbay Free WiFi service went live during the first quarter of the 2012/2013 financial year supported by a number of launch advertisers secured by GoConnect. However, despite changes implemented by Netbay to improve adoption rate of the service, and while adoption rate did double after the changes were implemented, the service has not achieved the targeted daily commuter penetration rate that would justify a much higher level of acceptance by blue chip advertisers. GoConnect has been advised that the Metro Netbay Free WiFi service will be rolled out to City Loop Stations and major feeder stations to Melbourne CBD within the next 6 months. We have also been advised that 40% of

Melbourne CBD, will be provided with free WiFi incorporating the GoConnect Free WiFi Marketing Platform technology progressively over the next 6 months. Upon full implementation and full acceptance of the Metro Netbay free WiFi and the Melbourne CBD free WiFi, we estimate that the free WiFi user reach will exceed 1 million people monthly. Although the rollout to additional train stations and Melbourne CBD has been slower than we expected previously, we believe the appropriate business plan is in place and the groundwork as to the advertising industry awareness as well as acceptance of this new media platform, has been laid successfully. It is therefore important that while this service rollout is continuing, GoConnect continues to assist Netbay to implement strategies that will increase the free WiFi service adoption rate to achieve a critical mass audience. Once the critical mass is achieved, we believe advertising revenue will grow significantly as it will establish a user base for the Metro Netbay Free WiFi Marketing Platform comparable to and competing head on with other existing media platforms, particularly print, that currently service the Melbourne CBD area. The interactive nature and lower cost of our Free WiFi Marketing Platform deliver advantages to advertisers significantly greater than that of traditional media but at a fraction of the cost.

Free WiFi is continuing to expand around the world at a rapid pace and Australia is part of this worldwide trend. Most businesses planning to offer free WiFi see implementing free WiFi as an IT project with a cost but without the direct revenue. However, GoConnect's technology is able to convert a free WiFi project to a media-marketing and distribution platform generating advertising revenue. GoConnect has received a number of direct approaches and enquiries during the past 12 months seeking collaboration with the Group to assist property owners and managers to implement free WiFi service incorporating GoConnect's free WiFi media marketing technologies.

To capitalize on these opportunities, and to fast track the adoption of the GoConnect free WiFi media marketing platform, GoConnect has developed with its business partners two distinct strategies: 1. WiFi in a box; and 2. a free WiFi content strategy to improve user adoption rate.

GoConnect has been working with a national WiFi installation company to develop a "WiFi in a box" product that will make it economical and efficient for property owners to install free WiFi at their locations with varying levels of service matching the size of their properties and the desirable free WiFi footprint within their properties.

On free WiFi content strategy to drive adoption, during the past 6 months, GoConnect has worked closely with one of Australia's major free-to-air TV networks, Network Ten, to develop a free WiFi content service branded as GoTenTV.com to deliver Network Ten programs to WiFi users at free WiFi locations associated with GoConnect. After extensive development and testing of the service by GoConnect and Network Ten, both companies are now happy with the quality of this service and it is expected to go live in the next few days. GoTenTV.com will be marketed through Network Ten's online properties as well as at various free WiFi locations associated with GoConnect.

The Group's Free WiFi opportunity in China through GoConnect's 51% owned First Mongolian Marketing Ltd ("FMM") is being finalised with a major shopping centre management group in China. The negotiation is related to the proposed listing of our partner First Mongolian Investment Holdings Ltd ("FMIH") which owns 49% of FMM. As advised previously to the ASX, FMIH is currently restructuring its asset portfolio before a decision is made by FMIH as to whether to proceed to a public listing on the ASX. This decision has not been finalised to-date.

Priority One Partnership

GoConnect and Priority One Network Group Limited executed a global binding Master Merchant Agreement in August 2012 with International Payment Solutions (Hong Kong) Ltd (“IPS”) that will initially enable the promotion and release of the Priority One Debit card in the People’s Republic of China and other countries in Asia. Since then, Priority One and GoConnect have identified a number of opportunities with IPS to introduce the Priority One card in the China market. According to information from Priority One, Priority One is continuing to seek listing opportunity on the ASX despite the failure of its last attempt early this year to list on the ASX via an Initial Public Offering (“IPO”) to raise a minimum of \$15 million.

Internet Protocol TV (IPTV)

Uctv.fm

GoConnect’s IPTV network uctv.fm continues to expand its audience reach and program mix via in-house production and repackaging of third party content. High quality content providers are keen to leverage off GoConnect’s already established IPTV distribution infrastructure and this advantage has enabled a series of new programs including ‘uctv Entertainment’ and ‘Undercover Presents’ to be launched. Other content, including EcoTV and short films, are already being well received by our uctv.fm audience. GoConnect is also in discussion with a TV program provider to launch an Asian language sub-channel on uctv.fm in the near future.

Eco Friendly Products

In May 2012, GoConnect entered into an agreement with Carbon Market Pty Ltd, owner of Eco TV, Eco Voice, Eco News & Eco Daily Deals to provide environmental news and eco-lifestyle content to uctv.fm. Via Eco TV and Eco News, GoConnect has gained access to online media promotional platforms that specialise in the eco friendly industry with a relevant and dedicated audience to market eco friendly products. In May 2013, GoConnect launched an online store for its wholly owned subsidiary, EcoConnect Australia, to market and sell Solar Thermal Air Conditioning systems and the store will expand to include a range of other eco friendly products and services. In line with the ongoing development of our IPTV media strategy, the online store will be part of a new shopping channel on uctv.fm specialising in eco friendly products and services.

The Group’s Free WiFi media platform works hand in hand with the Group’s IPTV platform to provide significant marketing and media value to businesses to promote their products and services globally through the Internet. The value of our Internet media platforms will become ever more apparent to the traditional media. As an early mover in the connected TV space, the Group already occupies a very prominent position and hence valuable “real estate” on the home screen and electronic program guide of LG connected TVs. As the largest player of Free WiFi media platform in Australia, the Group is the most visible of any ASX listed company providing Free WiFi as a media platform.

While the traditional media industry continues to lose audience rapidly and is in turmoil. The Group will continue to expand its audience reach and to explore opportunities of collaborating with the traditional media industry. GoConnect’s IPTV channel uctv.fm is available globally via LG connected TV to over 55 million households while including LG Blu-Ray players and set-top boxes, the uctv.fm audience reach via various LG devices is estimated to exceed 100 million households. uctv.fm is also available on all brands of smartphones globally. The smartphone distribution infrastructure of uctv.fm adds an audience reach estimated to far exceed what is available on LG devices.

Content Strategy

Having established such a significant global audience reach since 2010 for uctv.fm, GoConnect has embarked on a quality content strategy since the past 12 months to ensure that uctv.fm is able to capture a significant portion of the global audience reach to support advertising sales. Accordingly, a number of content partnerships were established during the 2012/2013 financial year including the agreement with Network Ten and the establishment of Go JLJ Entertainment Pty Ltd, together with Jermaine Jackson and his associate. GoConnect has a 40% equity interest in Go JLJ Entertainment.

GoConnect and Go JLJ Entertainment have finalised the development of JJ5TV.com music competition, powered by GoConnect's Soundcheck online music competition platform. JJ5TV.com's mission is to re-create the modern day version of the legendary Jackson 5. Jermaine Jackson, the original lead singer of the Jackson 5, will personally mentor and coach the finalist contestants of JJ5TV.com who will compete in a final event to determine which winning band of 5 members will become the modern day version of the legendary Jackson 5. JJ5TV.com reality TV show will be distributed worldwide on uctv.fm. After thorough assessment of the talent quest market in Australia, Go JLJ Entertainment has decided that it makes more business sense to have JJ5TV.com to be a regional competition to be held between Australia and the Indian subcontinent. Contestants from Australia, India, Pakistan, Bangladesh, and Sri Lanka will be able to submit online music video entries to JJ5TV.com upon launch, and the online public will be able to rank and vote on these entries to help determine the list of finalists. Go JLJ Entertainment will partner with a Sri Lankan/Indian company to launch JJ5TV.com with a target market of over 1 billion people.

Jermajesty Holdings

GoConnect's close working relationship with Jermaine Jackson in the development of JJ5TV.com led to the incorporation of Jermajesty Holdings Pty Ltd in April 2013. GoConnect has 20% equity interest in Jermajesty Holdings. Jermajesty Holdings is developing a number of 4 to 5-star deluxe hospitality projects around the world. A number of Jermajesty Hotels and Resorts projects ("the Projects") are at different stages of development. These Projects are in the US, the Middle East, North Africa, Australia, Asia (ex China) and Greater China. Jermajesty Holdings currently has 7 Projects in the pipeline including 6 in China. The management of Jermajesty Holdings inspected these Projects in a business trip to China, Bangkok and Sri Lanka during August and was impressed with the quality of these Projects. The company will generate revenue from hospitality management contracts and will own significant assets from equity in selective Projects. Jermajesty Holdings has access to significant project finance and investment capital from international investors in Asia and the Middle East. The first Jermajesty Holdings Project to commence trading in 2014 is expected to be in China in the City of Tianjin with over 300 rooms, followed by a second one in the Guangxi Province in South West China with 400 rooms.

Jermajesty Holdings is currently working with Sino Investment Services Pty Ltd on the listing of the company on a major stock exchange by end of 2013. Upon the successful listing of Jermajesty Holdings, GoConnect will be able to demonstrate the significant market value of its 20% stake in Jermajesty Holdings.

The Group is proactively working on all of the above matters directly and with its partners. The directors are confident that the Group will be successful in the above matters and together with availability of existing credit facility and an improved generation of revenue from the expanding suite of online properties and Free WiFi Marketing Platforms, have accordingly prepared the financial report on a going concern basis.

FUTURE DEVELOPMENT, PROSPECTS AND BUSINESS STRATEGIES

GoConnect's primary corporate objective is to establish the company as a major IPTV media company. As well as promoting the Group's existing properties on our own IPTV network, the Group's strategy has also been to make use of the advertising inventory generated as a currency to partner with and 'acquire' equity in businesses that are synergistic with our IPTV media businesses or can make use of our marketing platforms on IPTV and Free WiFi.

With the restructuring of GoConnect's work force in place, the Group is starting to derive savings from the reorganization of the past 24 months and is carefully rebuilding its sales and production teams. The restructured teams at GoConnect are now more cost effective, more revenue focused, and are working on a range of opportunities from a wider and more integrated range of media products both here and in Asia to expand GoConnect's revenue and asset base.

To improve operating cash flow and maximise shareholder wealth, the Group will focus on the following developments in the next 12 months:

- Expand the GoConnect Free WiFi Marketing Platform in Australia and Asia;
- Expand our uctv.fm IPTV distribution platforms;
- Capitalise on our uctv.fm IPTV network and continue to improve its value by aggregating and producing quality entertainment and infotainment content;
- Utilise uctv.fm to provide media marketing support to businesses that are synergistic to the GoConnect business model, such as Priority One, and major shopping centres that adopt the GoConnect Free WiFi Marketing Platform;
- Assist Jermajesty Holdings to expand its hospitality Project portfolio, its management income and assets.

These developments, together with the current businesses of the Group are expected to deliver a positive cash flow and increase enterprise value of the Group.

Item 13

For foreign entities, which set of accounting standards is used in compiling the report – N/A

Item 14

A commentary on the results for the period – See Item 12

- 14.1** *The earnings per security and the nature of any dilution aspects - See Note 2 in the accompanying Attachment*
- 14.2** *Returns to shareholders including distributions and buy backs – N/A*
- 14.3** *Significant features of operating performance - See Item 12*
- 14.4** *Segment information - See Note 9 in the accompanying Attachment*
- 14.5** *A discussion of trends in performance - See Item 12*
- 14.6** *Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified - See Item 12*

Item 15

Audit status of the accounts

This report is based on accounts that are in the process of being audited.

Priority One Transaction and Tax effect of Priority One transaction were qualified in the annual report for the year ended 30 June 2012 and the half year report for period ended 31 December 2012. Management is in the process of resolving the matter.

In November 2011, GoConnect Australia Pty Ltd (“GoConnect”) entered into an equal partnership agreement with Priority One Network Group Limited (“Priority One”). Under that agreement, GoConnect provided its IPTV intellectual property of uctv.fm as its contribution to the partnership, whilst Priority One contributed 135 million of its own shares with a face value of \$40.5 million to the partnership. The 135 million shares in Priority One were distributed directly to qualified GoConnect Limited shareholders.

Richard Li
Executive Chairman

30 August 2013
Date

NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME, FINANCIAL POSITION AND CASH FLOWS

1. BASIS OF PREPARATION

The Preliminary Final Report has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Preliminary Final Report does not include all the notes of the type normally included in an Annual Financial Report.

Accordingly, this report is to be read in conjunction any other public announcements made by the Group during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year.

2. LOSS PER SHARE

	Current period Cents	Previous corresponding period - Cents
Basic loss per share	(0.2)	(0.4)
Diluted loss per share	(0.2)	(0.4)

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

	Current period Number	Previous corresponding period - Number
	960,817,263	900,828,557

3. CONTROLLED ENTITIES

a. Controlled Entities Consolidated

Name of the above controlled entities	Class of shares	Country of incorporation	% owned 2013	% owned 2012
GoConnect Australia Pty Ltd	ordinary	Australia	100	100
GoTrek Pty Ltd	ordinary	Australia	100	100
TBS TV Pty Ltd	ordinary	Australia	60	60
Undercover Network Pty Ltd	ordinary	Australia	100	100
Uctv.fm Pty Ltd	ordinary	Australia	100	100
Asia IPTV Pty Ltd	ordinary	Australia	100	100
PLW Entertainment Pty Ltd	ordinary	Australia	100	100
First Mongolian Marketing Ltd	ordinary	BVI	51	51
EcoConnect Australia Pty Ltd	ordinary	Australia	100	-

**Attachment
Appendix 4E
Year ended on 30 June 2012**

During the year, the Group progressively acquired a 100% interest in EcoConnect Australia Pty Ltd. The acquisition was a result of the Group entering into distribution of solar thermal hybrid air conditioning systems, waste to energy and, cogeneration/trigeneration project.

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Current period	Previous corresponding period - \$
	\$	
Investment in an associate	40	-

Investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity. Information relating to the associate is set out below.

Name of company	Principal activity	Ownership interest		Consolidated carrying amount	
		2013 %	2012 %	2013 \$	2012 \$
Go JLJ Entertainment Pty Ltd	Music Entertainment	40 % Fully paid ordinary shares	Nil	40	-
Pharmasafe Pty Ltd	Sale of Chinese herbal remedy "Liver Bioguard"	40 % Fully paid ordinary shares	40 % Fully paid ordinary shares	-	-

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT'D)

	Current period \$	Previous corresponding period - \$
Movements in carrying amount of investment in an associate		
Carrying amount at the beginning of the financial year	-	-
New investment during the year	40	-
Share of loss after income tax	-	-
Carrying amount at the end of the financial year	40	-
Results attributable to associates		
Loss before related income tax	-	(3,219)
Income tax expense	-	-
Loss after related income tax	-	(3,219)
Retained loss attributable to associates at the beginning of the financial year	-	(31,011)
Retained loss attributable to associates at the end of the financial year	-	(34,230)
Reserve attributable to associates	-	-
Share of associates' contingent liabilities	-	-
Share of associates' expenditure commitments	-	-
Current assets of associates	1,960	1,860
Non-current assets of associates	-	-
Total assets of associates	1,960	1,860
Current liabilities of associates	87,761	87,334
Non-current liabilities of associates	-	-
Total liabilities of associates	87,761	87,334
Net liabilities of associates	(85,801)	(85,474)

5. INTANGIBLE ASSETS

	Current period \$	Previous corresponding period - \$
Goodwill		
Cost	4,336,471	4,336,471
Accumulated impaired losses	-	-
Net carrying value	4,336,471	4,336,471

5. INTANGIBLE ASSETS (CONT'D)

	Current period \$	Previous corresponding period - \$
Management Contracts		
Cost	111,561	111,561
Accumulated amortisation and impairment	(111,561)	(68,369)
Net carrying value	-	43,192
Recording Agreements		
Cost	214,791	214,791
Accumulated amortisation and impairment	(128,875)	(85,917)
Net carrying value	85,916	128,874
Total intangibles	4,422,387	4,508,537

	Goodwill \$	Management \$	Recording \$
Year ended 30 June 2012			
Balance at the beginning of year	4,336,471	67,984	171,832
Additions	-	-	-
Amortisation charge	-	(24,792)	(42,958)
Impairment losses	-	-	-
Closing value at 30 June 2012	4,336,471	43,192	128,874
Year ended 30 June 2013			
Balance at the beginning of year	4,336,471	43,192	128,874
Additions	-	-	-
Amortisation charge	-	(12,396)	(42,958)
Impairment losses	-	(30,796)	-
Closing value at 30 June 2013	4,336,471	-	85,916

Intangible assets, other than goodwill, have finite useful lives. Future amortisation charges for intangible assets will be included under depreciation and amortisation expense per the statement of comprehensive income. Goodwill has an infinite life.

	Current period \$	Previous corresponding period - \$
6. ISSUED CAPITAL		
Ord		
Issued and paid up capital		
978,514,133 (2012: 929,346,337) ordinary shares fully paid	45,041,170	43,438,603

6. ISSUED CAPITAL (CONT'D)
Movements in ordinary share capital

Date	Details	Number of shares
1 July 2011	Opening balance	843,721,337
22 September 2011	Share issue	19,000,000
12 October 2011	Share issue	38,500,000
30 November 2011	Share issue	18,125,000
31 January 2012	Share issue	10,000,000
30 June 2012	Balance	929,346,337

Date	Details	Number of shares
1 July 2012	Opening balance	929,346,337
23 August 2012	Option exercised	10,000,000
9 October 2012	Option exercised	10,000,000
17 December 2012	Conversion of Convertible Note	28,140,750
17 December 2012	Conversion of Convertible Note	1,027,146
30 June 2013	Balance	978,514,233

	Current period \$	Previous corresponding period - \$
7. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(44,230,512)	(40,977,837)
Net loss attributable to members of GoConnect Ltd	(2,131,914)	(3,252,675)
Accumulated losses at the end of the year	(46,362,426)	(44,230,512)

8. NOTES TO THE STATEMENTS OF CASH FLOWS

(A) RECONCILIATION OF CASH

For the purpose of the statements of cash flows, cash includes cash at bank and on hand, and deposits with banks or financial institutions, net of bank overdrafts. Cash at the end of the reporting period is shown in the statement of financial position as:

	Current period \$	Previous corresponding period - \$
Cash at bank and on hand	915	1,606

8. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(B) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING LOSS AFTER INCOME TAX		
Operating loss after income tax	(2,131,914)	(3,252,675)
<i>Non-cash flows in operating loss</i>		
Depreciation and amortisation	67,634	84,161
Impairment loss	30,796	-
Share based remuneration	308,616	439,064
Bad and doubtful debt	87,790	246,545
Foreign exchange loss on borrowings	-	4,615
<i>Changes in operating assets and liabilities, net of the effects of purchase and disposal of controlled entities</i>		
(Increase) / decrease in operating receivables	(7,478)	(127,713)
(Increase) / decrease in royalty advances	(4,546)	(17,978)
(Increase) / decrease in inventories	-	340
(Increase) / decrease in other operating assets	8,388	(8,388)
Increase / (decrease) in operating payables	913,583	691,639
Increase / (decrease) in provisions	11,455	10,370
<i>Net cash used in operating activities</i>	(715,676)	(1,930,020)

9. OPERATING SEGMENTS

All of the Group's business activities were focused on the development and delivery of IPTV products. All assets held by the Group during the reporting were located within Australia. Revenue attributable to external customers, based on the location of the external customer, is disclosed below.

	Current period	Previous corresponding period - \$
	\$	
Australia	398,335	297,700

The Group was not reliant on any single major customer during the reporting period.