BEYOND INTERNATIONAL

To	COMPANY ANNOUNCEMENTS		
Company	ASX	Fax number	1900999 279
Date	30 August 2010	No. of pages	77
From	Mikael Borglund	Fax number	61294372181
Subject:	**APPENDIX 4E**		

BARCODE:

Please see attached for Beyond International Limited (ASX-BYI) for the 12 months ended 30 June 2010:

(a) Appendix 4E – Preliminary Final Report for the year ended 30 June 2010;

(b) 2010 Statutory Financial Statements (including the director's report, the notes to the financial statements, the directors' declaration and the audit report).

The functional currency is Australian dollars.

HEAD OFFICE
109 Reserve Road Artarmon Sydney NSW 2064 Australia
Tel: +61 (0) 2 9437 2000 Fax: +61 (0) 2 9437 2181
BEYOND INTERNATIONAL LIMITED ABN 65 003 174 409

Beyond International Limited (ASX: BYI)
Annual Results to 30th June 2010.

	TWELVE MONTHS TO JUNE 2010 $000's	TWELVE MONTHS TO JUNE 2009 $000's	VARIANCE $000's	%
REVENUE	78,961	75,223	3,738	4.97%
OPERATING EXPENSES	66,437	65,101	1,336	2.05%
FOREIGN EXCHANGE LOSS/(GAIN)	730	-302	1,032	-341.72%
EBITDA	11,794	10,424	1,370	13.14%
DEPRECIATION &AMORTISATION	5,589	5,377	212	3.94%
EBIT	6,205	5,047	1,158	22.94%
INTEREST EXPENSE	143	121	22	18.18%
OPERATING PROFIT BEFORE TAX	6,062	4,926	1,136	23.06%
TAX EXPENSE	-1,033	-832	-201	24.16%
PROFIT AFTER TAX	5,029	4,094	935	22.84%
OUTSIDE EQUITY INTEREST	-90	186	-276	-148.39%
NET PROFIT	4,939	4,280	659	15.40%
EPS	8.40 cents	7.28 cents	1.12 cents	15.38%

Financial Performance for the 12-Month Period to 30th June 2010.

- Revenue for the twelve months increased by 5% to $78,961,000;
- EBIT for the twelve month period increased by 23% to $6,205,000;
- The home entertainment segment EBIT has increased by $3,329,000 or 598% compared to the previous corresponding period (see below table);
- Earnings Per Share increased by 15% to 8.40 cents;
- The Company has no bank debt;
- Foreign exchange losses totalled $730,000 compared to a foreign exchange gain of $302,000 in the prior year;
- 38.5% of total Group revenues are denominated in US$ compared to 52.2% in the previous year. The reduction is due largely to the increased relative contribution in revenue from the Home Entertainment segment;
- Net cash flow from operating activities is $6,869,000 (2009: $6,823,000) with the final and interim dividend of $3,527,000 being paid during the year; and
- The Company strengthened its Balance Sheet during the twelve months by decreasing trade payables by $2,895,000.

Review Of Group Operations By Segment for the 12-Month Period to 30th June 2010.

FY	2010	2009	Var	Var %
Revenue				
	$ 000's	$ 000's	$ 000's	
TV Productions & Copyright	33,270	38,756	(5,486)	-14%
Home Entertainment	30,188	18,364	11,824	64%
Distribution	15,548	17,675	(2,127)	-12%
Corporate	(45)	428	(473)	-111%
Total Revenue	78,961	75,223	3,738	5%
EBIT				
Productions & Copyright	7,437	7,989	(552)	-7%
Home Entertainment	3,886	557	3,329	598%
Distribution	423	982	(559)	-57%
Corporate	(4,812)	(4,783)	(29)	1%
Foreign Exchange Gain / (Loss)	(730)	302	(1,032)	-342%
EBIT	6,205	5,047	1,157	23%

1. Television Production and Copyright Segment.

Television production revenue decreased by $5,486,000 or 14.2% to $33,270,000.

EBIT for the 12-month period is $7,437,000 (2009: $7,989,000).

The US program commission market appears to be slowly improving in 2010 following a relatively weak period of demand during the first half of the financial year. New commissions from US broadcasters include “Deadly Women series 4”, “Taboo series 7”, “Headrush” and “The Lottery Changed My Life – series 3”.

In the current 12-month period 64% of total segment revenues are transacted in US dollars (2009: 79%). The decline in year on year revenue is partly attributed to the strengthening of the Australian dollar against the US dollar in 2010 compared to the 2009. The average approximate A$/US$ rate in 2009 was 75 cents and 88 cents in 2010.

The Australian market is showing signs of improvement as a result of the improved advertising market in Australia with a number of programs being commissioned by Australian broadcasters during the year including “Damage Control”, “Rush TV”, “The Tour Down Under”, “Addiction”, “Toy Box” and “Hot Property series 9”.

During the year the Los Angeles development unit secured a pilot order for a program and is currently working to secure commissions for a number of new programs. To date the performance of this initiative has been disappointing and the Company has reduced the costs to mitigate any further losses.

Net copyright income from the further exploitation of the programs by Beyond Distribution is $5,646,000 in the current year compared to $6,061,000 in 2009.

2. Home Entertainment Segment (BHE)

Revenue increased by 64.4% to $30,188,000 (2009: $18,364,000) compared to the corresponding 12-month period.

The segment operating profit has increased by 598% to $3,886,000 compared to $557,000 in the previous corresponding year. These increases are a result of the acquisition and full integration of the ACMEC business in October 2008 and the Magna Pacific business in February 2009.

In 2010 BHE performed strongly within its strategic market categories. In the highly competitive Children’s home video category, the division increased its market share from 7.6% to 8.3% for the year, peaking at 12% share during key marketing campaign periods.

In the Factual Entertainment genre, Beyond held a 17.3% market share for 2010 (up from 17% in 2009), reaching as high as 38% share during retail promotions.

The division also maintained its strong position as the market-leading distributor in the Stand-up Comedy genre, with the Punchline comedy label achieving a dominant 56% market share for the year.

Across the total Australian market for the year, the Home Entertainment division increased its market share from 2.4% to 2.6% amidst challenging trading conditions. The market leader holds approximately 17% share.

During 2010 BHE was successful in securing a number of significant home video output deals with AETN International, owners of the *History*, *Bio* and

Crime & Investigation Network television brands, Entertainment One (eOne), a leading international content distributor, also market-leading content producers Marvel Animation and Comedy Central.

Along with these new agreements, BHE maintains the continuing success of its existing long-term home video output deal with global factual programming leader Discovery Communications, who control the mainstream hits *Man Vs Wild*, *LA Ink* and the upcoming *Bear Grylls: Worst Case Scenario*.

The overall foreign exchange exposure of the Group is reduced through the growth of this segment as the revenues are substantially in Australian dollars – although some acquisition of titles are denominated in US$ or Euro this does not result in a material exposure.

3. TV and Film Distribution Segment (Beyond Distribution)

Segment revenue has declined by $2,127,000 or 12% to $15,548,000 compared to the corresponding 12 month period. This variance is primarily due to negative foreign exchange impact on revenue between the periods and no substantial pre sales being achieved in the period as compared to the prior year.

The segment EBITA for the twelve months is $1,482,000 and was $1,744,000 in 2009.

Segment EBIT for the year is $423,000 compared to $982,000 for the corresponding twelve month period in 2009. This decline is due to a higher amount of film library amortisation than in the prior period.

During the current period 58% of total segment revenues are denominated in US$ (2009:50%).

During the period significant sales were achieved for internally produced series such as Mythbusters, Deadly Women and Milly Molly. Successful acquired product included Numberjacks and Motorway Patrol.

The analysis of sales revenue by source of product is as follows:

In-house production	52%
Third party productions	38%
Associated companies	10%
Total	100%

The product focus is on factual series, documentaries, family and children's programs as there is an increasing demand for these products from the niche broadcasters throughout the world. The analysis of sales by program genre are as follows:-

Factual	72%
Children's	13%
Drama	11%
Feature film	3%
Other	1%
Total	100%

Third party acquisitions are focused on the US, UK and Canadian markets.

Foreign Exchange – Impact on Group Results

There was significant volatility in the currency markets during each of the comparative periods.

The total foreign exchange loss for the twelve-month period is $730,000 (2009: gain of $303,000). This loss is comprised of the following items: -

Item	June 2010	June 2009
Realised FX Gain (Loss).	($329,433)	$231,217
Unrealised Gain.	$170,637	$222,497
Mark to market revaluation of Currency Hedges.*	($571,321)	($150,993)
Net Total Gain / (Loss)	($730,117)	$302,721

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

Dividend

A 3-cent (unfranked) Final Dividend per share for 2009 was paid on the 12th November 2009.

The Directors increased the Interim Dividend from 2 cents per share to 3 cents (unfranked) per share, which was paid on the 16th April 2010.

The Directors have decided to maintain the Final Dividend at 3 cents per share (unfranked) for the year ending 30 June 2010.

Shareholders registered on the books on **24/09/2010** will be entitled to this dividend, which will be paid on **17/11/2010**.

Outlook to 30th June 2011

Provided there are no material negative currency fluctuations or a significant deterioration in the broadcast or home entertainment markets in the 2011 financial year the Company expects continued Group EBIT and EPS growth.

The Home Entertainment business has proved to be a valuable addition to the Company representing over 38% of 2010 Group revenues and a substantial contributor to EBIT and cash flow.

Home Entertainment is experiencing challenging retail trading conditions in the short term, which is consistent with the general retail trade experience across the Australian market. At this time management does not have a clear view on when conditions will improve but believes it is well placed to maximize opportunities as the market recovers with growth through the expanding catalogue of key content which will lead to an increase in the market share in key genres of the home entertainment market.

The uncertain advertising market experienced by broadcasters during 2009 and the first half of 2010 appears to be improving which should result in a number of new program orders and sales being secured in the US and Australia. Consequently the Television Production and TV and Film Distribution businesses are anticipating modest growth for the 2011 financial year.

Fixed overheads are being strictly controlled in each business segment.

Cash flow from operations is expected to remain strong in the 2011 year and the Company will utilise these funds to build cash reserves for working capital, strategic acquisitions and dividend payments.

Appendix 4E

Preliminary Final Report

Name of Entity	**BEYOND INTERNATIONAL LIMITED**
ABN	**65 003 174 409**
Financial Year Ended	**30 JUNE 2010**
Previous Corresponding Reporting Period	**30 JUNE 2009**

Results for Announcement to the Market

	$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	78,961	4.55%
Profit / (loss) from ordinary activities after tax attributable to members	4,939	15.4%
Net profit / (loss) for the period attributable to members	4,939	15.4%

Dividends (distributions)	Amount per security	Franked amount per security
Interim Dividend Final Dividend	3.00 cents per share 3.00 cents per share	NIL
Previous corresponding period Interim Dividend Final Dividend	 2.00 cents per share 3.00 cents per share	NIL
Record date for determining entitlements to the dividends (if any)	24 September 2010	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood: Refer to release

Dividends

Date the dividend is payable	17 November 2010
Record date to determine entitlement to the dividend	24 September 2010
Amount per security	3.00 cents
Total dividend	$1,840,109
Amount per security of foreign sourced dividend or distribution	3.00 cents
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	43.88 cents	42.40 cents

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
Aggregate Share of Net Profits			-	-

Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Commentary on the Results for the Period

REFER TO ATTACHED ASX RELEASE
Returns to shareholders including distributions and buy backs : Refer to attached release
Significant features of operating performance : Refer to attached Review of Operations
The results of segments that are significant to an understanding of the business as a whole: Refer Segment attachment
Trends in Performance Refer attached release

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	✓	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments Forming Part of Appendix 4E

Attachment #	**Details**
1	Financial Statements

Signed By (Director/Company Secretary)	MIKAEL BORGLUND
Print Name	Mikael Borglund
Date	30 August 2010

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
ABN 65 003 174 409
Corporate Governance Statement 2010

Beyond International Limited (the "Company and the economic entity") and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. A review of the Company and the economic entity's corporate governance framework was completed in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in March 2003, revised August 2007. The Company and the economic entity's framework are largely consistent with the recommendations.

A description of the Company and the economic entity's corporate governance practices are 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 2010.

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 Company and the economic entity are properly managed through the implementation of sound strategies and action plans and the development of an integrated framework of controls over the economic entity's resources.

The Board has adopted a formal charter that sets out its responsibilities and is available on the Company and the economic entity 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 Company and the economic 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 Company and the economic entity have been identified and appropriate and adequate control monitoring and reporting mechanisms are in place.

Management's role is to manage the Company and the economic 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 Company and the economic entity. An evaluation was undertaken in the reporting period and was in accordance with the Company and the economic entity 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 Company and the economic 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 Company and the economic entity's best interests.

The Board considers that, Mr Ian Robertson, who is the Managing Partner of the Sydney office of law firm Holding Redlich, whom the Company and the economic 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 Company and the economic entity nor is he the supervising partner in matters between

Holding Redlich and the Company and the economic entity. Thus, it is the Board's view that Mr Ian Robertson is free from any interest which could, or could reasonable be perceived to, materially interfere with his ability to act with a view to the best interest of the Company and the economic entity. Information on related parties can be found in Note 29.

Independent Professional Advice
Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company and the economic 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 Company and the economic 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 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 Company and the economic 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 Company and the economic 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 sets out its roles and responsibilities and membership requirements.

The Constitution of the Company and the economic 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 Company and the economic 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 Company and the economic 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 Company and the economic 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.

Trading in Company and the economic entity Shares
The purchase and sale of Beyond International securities by Directors', Senior Executives and employees is only permitted where the individual:

- Does not possess materially price sensitive information regarding the Company and the economic entity which has not yet been made public; and
- Has first informed the Chairman or Managing Director, or in the case of the Chairman, the Chair of the Audit Committee.

The Company and the economic entity's Share Trading Policy also sets out the Company and the economic entity's position regarding hedging of vested and unvested Beyond International securities. The Policy provides that:

- Directors and Senior Executives are prohibited from entering into hedging transactions in relation to securities that have not vested, or that are held subject to a holding lock or restriction on dealing under an employee share plan operated by the Company and the economic entity; and
- Notification of any hedging transaction must be made in accordance with the Policy.

The Share Trading Policy prohibits the Company and the economic entity's Directors from providing Beyond International shares as security for borrowings.

In addition to addressing dealings in Beyond International securities, the Share Trading Policy provides that Directors and employees may only purchase or sell securities of another listed entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

The Directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

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 Company and the economic entity's financial reports present a true and fair view, in all material aspects, of the Company and the economic 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 Company and the economic 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 Company and the economic entity 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 Company and the economic 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 once 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 number of meetings attended can be found in the Directors' Report.

External Auditor
The Company and the economic entity's policy is to appoint an external auditor that clearly demonstrates experience, quality and independence.

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

The Company and the economic entity complies with auditor rotation requirements. The lead partner of PKF for the Company and the economic entity's audit will rotate from the audit team after the June 2010 audit.

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 Company and the economic 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 Stock 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 with the Managing Director.

All information disclosed to the ASX is posted on the Company and the economic entity's web site as soon as it is disclosed to the ASX.

6. The Board respects the rights of shareholders

The Company and the economic 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 Company and the economic 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 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 Company and the economic entity against the budget and other key performance measures. The Board receives from management the key business financial risks that could prevent the economic entity from achieving its objectives and ensure the appropriate controls are in place to effectively manage those risks. Below are some of the key business risks identified and managed by the Company and the economic entity and its controlled entities.

Environmental Occupational Health and Safety
The economic 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 Company and the economic 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 controlled 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 Company and the economic 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

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

The Company and the economic entity's remuneration policy is set out in full in the Company and the economic 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.

Directors' Report

Your Directors present their report on the Company and its controlled entities ("economic entity" or "group") for the financial year ended 30 June 2010.

1. Directors

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

Ian Ingram	-	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 economic entity, and was appointed Company Secretary on 1 December 2003.

3. Principal activities of the economic entity

The principal activities of the economic entity during the financial year were television program production, international sales of television programs and feature films and Home Entertainment. 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 $4,939,000 (2009: $4,280,000).

5. Dividends

An interim 2010 dividend of 3 cents per share was paid in April 2010 and the Company will pay a final 2010 dividend of 3 cents per share in November 2010. This brings the total dividend for the 2010 year to 6 cents per share.

6. Review of operations

Revenue for the year to 30th June 2010 has increased by 4.54% to $78.961 million (2009 $75.525 million). EBIT for the twelve month period increased by 23% to $6,205,000.

Net cash flow from operating activities is $6,869,000 (2009: $6,823,000) with the final and interim dividend of $3,527,000 being paid during the year. The group operates with a $1 million overdraft facility and has no additional debt.

Television Production and Copyright Segment

Television production revenue decreased by $5,486,000 or 14.2% to $33,270,000.

EBIT for the 12-month period is $7,437,000 (2009: $7,989,000).

The US program commission market appears to be slowly improving in 2010 following a relatively weak period of demand during the first half of the financial year. New commissions from US broadcasters include "Deadly Women series 4", "Taboo series 7", "Headrush" and "The Lottery Changed My Life – series 3".

The Australian market is showing signs of improvement as a result of the improved advertising market in Australia with a number of programs being commissioned by Australian broadcasters during the year including "Damage Control", "Rush TV", "The Tour Down Under", "Addiction", "Toy Box" and "Hot Property series 9".

Home Entertainment Segment (BHE)

Revenue increased by 64.4% to $30,188,000 (2009: $18,364,000) compared to the corresponding 12-month period.

The segment operating profit has increased by 598% to $3,886,000 compared to $557,000 in the previous corresponding year. These increases are a result of the acquisition and full integration of the ACMEC business in October 2008 and the Magna Pacific business in February 2009.

In 2010 BHE performed strongly within its strategic market categories. In the highly competitive Children's home video category, the division increased its market share from 7.6% to 8.3% for the year, peaking at 12% share during key marketing campaign periods.

In the Factual Entertainment genre, Beyond held a 17.3% market share for 2010 (up from 17% in 2009), reaching as high as 38% share during retail promotions.

The division also maintained its strong position as the market-leading distributor in the Stand-up Comedy genre, with the Punchline comedy label achieving a dominant 56% market share for the year.

6. Review of operations (Continued)

Across the total Australian market for the year, the Home Entertainment division increased its market share from 2.4% to 2.6% amidst challenging trading conditions. The market leader holds approximately 17% share.

TV and Film Distribution Segment (Beyond Distribution)

Segment revenue has declined by $2,127,000 or 12% to $15,548,000 compared to the corresponding 12 month period. This variance is primarily due to negative foreign exchange impact on revenue between the periods and no substantial pre sales being achieved in the period as compared to the prior year.

The segment EBITA for the twelve months is $1,482,000 and was $1,744,000 in 2009.

Segment EBIT for the year is $423,000 compared to $982,000 for the corresponding twelve month period in 2009. This decline is due to a higher amount of film library amortisation than in the prior period.

7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the economic entity during the financial year ended 30 June 2010.

8. Matters subsequent to the end of the financial year

On 30 August 2010 the company will declare a final dividend of 3 cents per share to be paid in November 2010. With the exception of dividends there are no subsequent events to declare.

9. Likely developments and expected results of operations

Provided there are no material negative currency fluctuations or a significant deterioration in the broadcast or home entertainment markets in the 2011 financial year the Company expects continued Group EBIT and EPS growth.

The Home Entertainment business has proved to be a valuable addition to the Company representing over 38% of 2010 Group revenues and a substantial contributor to EBIT and cash flow.

Home Entertainment is experiencing challenging retail trading conditions in the short term, which is consistent with the general retail trade experience across the Australian market. At this time management does not have a clear view on when conditions will improve but believes it is well placed to maximize opportunities as the market recovers with growth through the expanding catalogue of key content which will lead to an increase in the market share in key genres of the home entertainment market.

The uncertain advertising market experienced by broadcasters during 2009 and the first half of 2010 appears to be improving which should result in a number of new program orders and sales being secured in the US and Australia. Consequently the Television Production and TV and Film Distribution businesses are anticipating modest growth for the 2011 financial year.

Fixed overheads are being strictly controlled in each business segment.

Cash flow from operations is expected to remain strong in the 2011 year and the Company will utilise these funds to build cash reserves for working capital, strategic acquisitions and dividend payments.

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.	12,054,588 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. B Comm, 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 2010 and the number of meetings attended by each Director were:

	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	8	8	2	2	2	2	2	2
M Borglund	8	8	-	-	-	-	2	2
A Lee	8	8	2	2	2	2	2	2
I Robertson	8	8	-	-	2	2	2	2

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 economic entity 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 economic entity 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 economic entity paid insurance premiums totaling $47,128.91 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 economic entity 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 $4,939,000 in FY10;
- driving basic earnings per share from 4.28 cents in FY05 to 8.40 cents in FY10; and
- providing dividend returns of 6 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 July 2007 paid to Non-Executive Directors are :

Chairman	$160,000 p.a.
Non-Executive Director	$35,000 p.a.

Additional Duties

Chairman of a board committee	$10,000 p.a.
Member of a board committee	$5,000 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.

13. **Remuneration report (Continued)**

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	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	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 – Magna Home Entertainment	No fixed term	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 their divisional result exceeding the annual budget set prior to the commencement of the relevant financial year by a minimum of 10%. The Remuneration Committee determines the allocation of the bonus between senior executives and other employees who have made significant contribution to the economic entity's performance during the year. Details of the nature and the remuneration of each director of Beyond International Limited and each of the six executives with the greatest authority for the strategic direction and management of the Company and the economic entity are set out in the following tables.

13. Remuneration report (Continued)

Directors of Beyond International Limited

2010

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits	Share based payments	Total	Share based payments % of Total
M Borglund	$631,438	-	-	$14,461	$960	$646,859	0.15%
I Ingram	$160,000	-	-	-	$960	$160,960	0.60%
A Lee	$45,872	-	-	$ 4,128	$480	$50,480	0.95%
I Robertson	$45,872	-	-	$ 4,128	$480	$50,480	0.95%
Total	$883,182	-	-	$22,717	$2,880	$908,779	0.32%

2009

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits	Share based payments	Total	Share based payments % of Total
M Borglund	$623,915	-	-	$13,745	-	$637,660	-
I Ingram	$160,000	-	-	-	-	$160,000	-
A Lee	$45,872	-	-	$ 4,128	-	$50,000	-
I Robertson	$45,872	-	-	$ 4,128	-	$50,000	-
Total	$875,659	-	-	$22,001	-	$897,660	-

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

Executive Officers' Remuneration

2010

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits	Share based payments	Total	Share based payments % of Total
J Luscombe	$459,121	$591,215	-	$14,461	$960	$1,065,757	0.09%
P Tehan	$177,650	-	-	$14,461	$480	$192,591	0.25%
T McGee	$211,091	-	-	$14,461	$480	$226,032	0.21%
F Crago	$272,319	$54,464	-	$14,461	$720	$341,964	0.21%
R Milne	$184,403	-	-	$14,461	$720	$199,584	0.36%
P Maddison	$300,000	-	-	$14,261	$720	$314,981	0.23%
Total	$1,604,584	$645,679	-	$86,566	$4,080	$2,340,909	0.17%

13. Remuneration report (Continued)

2009

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits	Share based payments	Total	Share based payments % of Total
J Luscombe	$459,295	$353,168	-	$13,988	-	$826,451	-
P Tehan	$175,532	-	-	$13,745	-	$189,277	-
T McGee	$208,538	-	-	$13,745	-	$222,283	-
F Crago	$262,624	$35,506	-	$13,593	-	$311,723	-
R Milne	$182,040	-	-	$13,745	-	$195,785	-
P Maddison	$103,845	-	-	$8,567	-	$112,412	-
Total	$1,391,874	$388,674	-	$77,383	-	$1,857,931	-

Total Remuneration for Phil Maddison, represents that paid since the acquisition of Magna on 26 February 2009.

Beyond International Employee Share Plan

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

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

2,537,500 shares are exercisable under the Employee Plan to eligible employees and Directors in the current year, and the economic entity 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 Plan rules.

Under the Employee Plan rules the Board of the economic entity has the power to decide which full time or permanent part-time employees and Directors of the economic entity will participate in the Employee Plan and the number of shares offered to each participant. The number of shares offered to be issued under the Employee 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.

The shares granted under the Employee 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 Plan. The Board also has the power to vary or terminate the Employee 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 economic entity at 30 June 2010 was 154 as compared with 147 at 30 June 2009.

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. 1,625,000 shares were issued under the employee share plan during 2010. The details of this issue are outlined in Note 24 of the financial statements.

17. Environmental regulations

The economic entity 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 economic entity 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.

20. Non audit services

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

When considering PKF 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.

21. 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 22 in the Directors' Report.

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
30 August 2010
Sydney

Auditor's Independence Declaration

As lead auditor for the audit of Beyond International Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of 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 year.

PKF

PKF

Tim Sydenham
Partner
Date: 30 August 2010

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

		Economic Entity		Parent Entity	
	Notes	**2010 $000's**	**2009 $000's**	**2010 $000's**	**2009 $000's**
Revenue from continuing operations	3 (a)	**78,961**	75,525	**6,108**	5,651
Other income	3 (a)	**-**	1,244	**-**	-
Royalty expense		**14,832**	10,418	**-**	-
Production costs		**21,709**	29,107	**-**	-
Cost of goods sold		**8,876**	6,971	**-**	**-**
Administration		**8,225**	5,915	**1,623**	1,510
Employee benefits expense		**12,087**	10,930	**1,120**	1,074
Finance costs	3 (b)	**143**	121	**93**	69
Provisions		**708**	1,234	**12**	21
Depreciation and amortisation expense	3 (b)	**5,589**	5,377	**29**	30
Net foreign exchange loss	3 (b)	**730**	-	**412**	188
Impairment of assets	3 (c)	**-**	1,770	**-**	-
Profit before income tax	3 (b)	**6,062**	4,926	**2,819**	2,759
Income tax (expense) / benefit	4 (a)	**(1,033)**	(832)	**867**	238
Profit for the year		**5,029**	4,094	**3,686**	2,997
Other comprehensive income					
Changes in the fair value of available-for-sale financial assets	11	**2**	(314)	-	-
Foreign currency translation		**5**	(5)	-	-
Other comprehensive income for the year, net of tax		**5,036**	3,775	**3,686**	2,997
Profit is attributable to:					
Owners of Beyond International Limited		**4,939**	4,280	**3,686**	2,997
Non-controlling Interest		**90**	(186)	**-**	-
		5,029	4,094	**3,686**	2,997
Total comprehensive income for the year is attributable to:					
Owners of Beyond International Limited		**4,946**	3,961	**3,686**	2,997
Non-controlling Interest		**90**	(186)	**-**	**-**
		5,036	3,775	**3,686**	2,997

Earning per share:		**Cents**	Cents
Basic earnings per share	5	**8.40**	7.28
Diluted earnings per share	5	**8.05**	7.17
Dividends per share (cents)	21	**6.00**	5.00

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	**1,432**	1,959	**435**	1,703
Trade and other receivables	7	**22,574**	17,261	**8,430**	6,132
Financial assets	11(b)	**127**	699	**127**	699
Inventories	8	**4,074**	3,810	**-**	-
Other current assets	9	**15,681**	15,900	**135**	297
TOTAL CURRENT ASSETS		**43,888**	39,629	**9,127**	8,831
NON-CURRENT ASSETS					
Trade and other receivables	7	**566**	781	**-**	-
Investments	10	**-**	-	**8,636**	8,636
Financial assets	11(a)	**207**	205	**-**	-
Property plant and equipment	12	**2,308**	2,595	**93**	110
Intangible assets	13	**3,644**	3,648	**-**	-
Deferred tax assets	4(c)	**2,998**	3,067	**39**	67
Other non-current assets	9	**681**	1,395	**-**	-
TOTAL NON-CURRENT ASSETS		**10,404**	11,691	**8,768**	8,813
TOTAL ASSETS		**54,292**	51,320	**17,895**	17,644
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	14	**7,111**	10,006	**535**	603
Short-term borrowings	15	**83**	41	**-**	-
Current tax liabilities	4(d)	**158**	177	**-**	-
Other current liabilities	17	**8,554**	4,093	**250**	-
TOTAL CURRENT LIABILITIES		**15,906**	14,317	**785**	604
NON-CURRENT LIABILITIES					
Long-term borrowings	15	**132**	3	**-**	-
Deferred tax liabilities	4(c)	**6,332**	6,460	**-**	-
Long-term provisions	16	**1,304**	1,129	**-**	-
Other non-current liabilities	17	**234**	446	**-**	-
TOTAL NON-CURRENT LIABILITIES		**8,002**	8,038	**-**	-
TOTAL LIABILITIES		**23,908**	22,355	**785**	604
NET ASSETS		**30,384**	28,964	**17,110**	17,040
EQUITY					
Issued capital	18	**33,315**	33,315	**33,315**	33,315
Reserves	19	**(56)**	(2,060)	**159**	144
Accumulated losses		**(2,090)**	(1,416)	**(16,364)**	(16,419)
Issued capital and reserves attributable to owners of Beyond International Ltd		**31,169**	29,839	**17,110**	17,040
Non-controlling interests	20	**(785)**	(875)	**-**	-
TOTAL EQUITY		**30,384**	28,964	**17,110**	17,040

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

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

ECONOMIC ENTITY

	Contributed equity $000's	Reserves $000's	Accumulated losses $000's	Total $000's	Non-controlling interest $000's	Total equity $000's
Balance at 1 July 2009	**33,315**	**(2,060)**	**(1,416)**	**29,839**	**(875)**	**28,964**
Profit for the year	-	-	**4,939**	**4,939**	**90**	**5,029**
Available-for-sale financial assets	-	**2**	-	**2**	-	**2**
Foreign currency translation	-	**5**	-	**5**	-	**5**
Total comprehensive income for the year	-	**7**	**4,939**	**4,946**	**90**	**5,036**
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	**(3,631)**	**(3,631)**	-	**(3,631)**
Transfer from reserves	-	**1,982**	**(1,982)**	-	-	-
Employee share plan	-	**15**	-	**15**	-	**15**
Balance at 30 June 2010	**33,315**	**(56)**	**(2,090)**	**31,169**	**(785)**	**30,384**
Balance at 1 July 2008	33,315	(1,696)	(2,710)	28,909	(689)	28,220
Profit/(loss) for the year	-	-	4,280	4,280	(186)	4,094
Available-for-sale financial assets	-	(314)	-	(314)	-	(314)
Foreign currency translation	-	(5)	-	(5)	-	(5)
Total comprehensive income for the year	-	(319)	4,280	3,961	(186)	3,775
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(2,986)	(2,986)	-	(2,986)
Acquisition adjustment	-	(45)	-	(45)	-	(45)
Balance at 30 June 2009	33,315	(2,060)	(1,416)	29,839	(875)	28,964

PARENT ENTITY

	Contributed equity $000's	Reserves $000's	Accumulated losses $000's	Total $000's	Non-controlling interest $000's	Total equity $000's
Balance at 1 July 2009	**33,315**	**144**	**(16,419)**	**17,040**	-	**17,040**
Profit for the year	-	-	**3,686**	**3,686**	-	**3,686**
Total comprehensive income for the year	-	-	**3,686**	**3,686**	-	**3,686**
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	**(3,631)**	**(3,631)**	-	**(3,631)**
Employee share plan	-	**15**	-	**15**	-	**15**
Balance at 30 June 2010	**33,315**	**159**	**(16,364)**	**17,110**	-	**17,110**
Balance at 1 July 2008	33,315	144	(16,431)	17,028	-	17,028
Profit/(loss) for the year	-	-	2,997	2,997	-	2,997
Total comprehensive income for the year	-	-	2,997	2,997	-	2,997
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(2,986)	(2,986)	-	(2,986)
Balance at 30 June 2009	33,315	144	(16,419)	17,040	-	17,040

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

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**75,430**	68,471	**1,454**	1,707
Payments to suppliers and employees		**(67,775)**	(61,556)	**(2,846)**	(2,708)
Interest received		**48**	208	**45**	203
Finance costs paid		**(149)**	(130)	**(93)**	(69)
Income tax paid		**(685)**	(170)	**(345)**	(50)
Net cash provided by/(used in) operating activities	6(b)	**6,869**	6,823	**(1,785)**	(917)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(694)**	(999)	**(12)**	(65)
Distribution guarantees paid		**(728)**	(1,102)	**-**	-
Distribution guarantees recouped		**477**	763	**-**	-
Prepaid royalties		**(3,320)**	(2,499)	**-**	-
Prepaid royalties recouped		**2,564**	796	**-**	-
Payment for subsidiaries, net of cash acquired	6(d)	**(819)**	(3,387)	**-**	(1,307)
Investment in development projects		**(1,257)**	(1,502)	**-**	-
Loans repaid by controlled entities		**-**	-	**4,056**	3,528
Net cash flows (used in)/provided by investing activities		**(3,777)**	(7,930)	**4,044**	2,156
CASH FLOWS FROM FINANCING ACTIVITIES					
Finance lease principal repayments		**(92)**	(58)	**-**	-
Dividend paid		**(3,527)**	(3,031)	**(3,527)**	(3,031)
Net cash flows provided by/(used in) financing activities		**(3,619)**	(3,089)	**(3,527)**	(3,031)
Net increase/(decrease) in cash held		**(527)**	(4,196)	**(1,268)**	(1,792)
Cash and cash equivalents at the beginning of the financial year		**1,959**	6,155	**1,703**	3,495
Cash and cash equivalents at the end of the financial year	6(a)	**1,432**	1,959	**435**	1,703

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 2010 was authorised for issue in accordance with a resolution of the Board of Directors on 30 August 2010.

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

The financial report covers the consolidated entity of Beyond International Limited and controlled entities (“the economic entity” and/or "the group"), and Beyond International Limited as an individual parent entity ("the parent entity" and/or "the company").

(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. The financial report has been prepared on an accruals basis and is based on historical costs, except where stated. The economic 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 economic 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. These standards as listed below only impacted on the financial statements with respect to disclosure.

AASB 7 Revised - 'Financial Instruments: Disclosures'
AASB 8 - 'Operating Segments'
AASB 101 Revised - 'Presentation of Financial Statements'

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

AASB Amendment	Affected Standard(s)	Effect of change in Accounting Policy	Application date of standard	Application date for Group
AASB 2009-5	AASB 5 'Non-current Assets Held for Sale', AASB 8 'Operating Segments', AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 117 'Leases', AASB 118 'Revenue', AASB 136 'Impairment of Assets' & AASB 139 'Financial Instruments: Recognition and Measurement'	The potential effect of the initial application of the expected Standard has not yet been determined.	1 January 2010	30 June 2011
AASB 9	AASB 9 'Financial Instruments'	The potential effect of the initial application of the expected Standard has not yet been determined.	1 January 2013	30 June 2013
Revised AASB 124	AASB 124 'Related Party Disclosures'	The potential effect of the initial application of the expected Standard has not yet been determined.	1 January 2011	30 June 2011

(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 economic entity are eliminated in full. A list of controlled entities is contained in note 25 to the financial statements.

A non-controlling interest in the results and equity of the controlled entities are shown separately in the Consolidated Statement of Comprehensive Income and Statement of Financial Position respectively. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies 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.

(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 income 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 current and deferred tax liabilities, except for any deferred tax liabilities 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 economic 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, net gains on foreign currency transactions, and in the case of the parent entity, management and advisory fees, dividends and other distributions received from controlled entities.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the economic 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.

Where amounts are invoiced before revenue is earned, 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
- 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 uncollectible amounts or impairment. The following specific recognition criteria must also be met before 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. Payment terms are usually based upon signature, delivery and acceptance. In certain contracts installment payments may extend over the term of the licence agreement.

A provision for doubtful debts is raised when there is objective evidence that the economic 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.

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 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.

Investment in television programmes

The economic entity's investment in television programmes represents the cost paid to obtain the rights to distribute television programmes not produced by the economic entity. The investment is amortised against the licensing revenues. Each year, the licensing revenue forecasts are reviewed and the amortisation is adjusted accordingly.

(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 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 or revalued amount over its expected useful life to the economic 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 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.

Rights Licensing System
The Rights licensing system has a finite life of 5 years and is carried at cost less any accumulated amortisation and any impairment losses.

(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 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 economic 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 2.5% 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 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 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 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 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 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 economic 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 cost 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 parent 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.

(AE) Parent Disclosures

The parent entity has applied the relief available to it under ASIC Class Order 10/654 and accordingly, it has chosen to retain parent disclosures in the group annual report.

(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 is assessed annually based on an estimate of the value-in-use of the cash generating units to which goodwill has been allocated. The value-in-use calculation requires the economic 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 13.

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 four 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.

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 economic 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 Washington D.C, San Francisco and 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**		**Other**		**Inter Segment Eliminations & Unallocated**		**Consolidation**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
	$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	**33,270**	38,756	**15,548**	17,675	**30,188**	18,364	**(45)**	428	**-**	-	**78,961**	75,223
Other segments (b)	**5,646**	6,061	**3,319**	2,690	**-**	-	**3,375**	4,401	**(12,340)**	(13,152)	**-**	-
Total revenue	**38,916**	44,817	**18,867**	20,365	**30,188**	18,364	**3,330**	4,829	**(12,340)**	(13,152)	**78,961**	75,223
Result before fx, interest and D&A	**10,799**	11,676	**1,482**	1,744	**4,911**	822	**(4,681)**	(4,126)	**-**	-	**12,511**	10,116
Depreciation & amortisation	**3,362**	3,687	**1,059**	762	**1,025**	265	**143**	663	**-**	-	**5,589**	5,377
Result before interest & fx	**7,437**	7,989	**423**	982	**3,886**	557	**(4,824)**	(4,789)	**-**	-	**6,922**	4,739
Finance costs											**(143)**	(121)
Foreign exchange (loss)/gain											**(730)**	302
Unallocated corporate benefit/(expense)											**13**	6
Profit before income tax											**6,062**	4,926
Income tax expense											**(1,033)**	(832)
Profit after income tax											**5,029**	4,094
Minority interest profit/ (loss)											**90**	(186)
Profit for the year											**4,939**	4,280

2. OPERATING SEGMENTS (Cont'd)

Operating Segment	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Other		Inter Segment Eliminations & Unallocated		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	$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	**70,432**	64,502	**94,611**	86,268	**27,009**	25,124	**23,057**	22,602	**(163,093)**	(150,674)	**52,016**	47,822
Unallocated assets											**3,664**	4,460
Total assets											**55,680**	52,282
LIABILITIES												
Segment liabilities	**18,943**	15,880	**114,261**	100,834	**14,106**	14,770	**5,598**	6,171	**(133,945)**	(120,795)	**18,963**	16,860
Unallocated liabilities											**6,333**	6,457
Total liabilities											**25,296**	23,317
Other												
Capital expenditure	**370**	348	**5**	10	**593**	439	**109**	216	**-**	-	**1,077**	1,013
Other non cash expenses	**239**	394	**382**	430	**25**	362	**25**	362	**487**	48	**1,158**	1,596
Impairment of assets	**-**	820	**-**	-	**-**	950	**-**	-	**-**	-	**-**	1,770

Geographical Information

	Segment revenues from external customers		Carrying amount of segment assets		Acquisition of non current segment assets	
	2010	2009	2010	2009	2010	2009
	$000's	$000's	$000's	$000's	$000's	$000's
Australia	**44,584**	28,656	**50,080**	50,530	**1,070**	1,001
North America	**23,559**	34,968	**2,541**	750	**-**	1
Europe	**7,260**	8,415	**359**	(991)	**6**	11
Rest of World	**3,558**	3,184	**2,700**	1,993	**1**	-
	78,961	75,223	**55,680**	52,282	**1,077**	1,013

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 a single customer group in excess of 10% of total revenue. Total revenues relating to this customer are $19.2m and are included in the TV Production & Copyright and Film & Television distribution segments.

3. REVENUES AND EXPENSES

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
(a) Revenue				
Operating activities				
Sales revenue	**77,022**	73,750	**-**	-
Dividend	**-**	-	**4,511**	3,675
Management service fees	**-**	-	**627**	888
Royalty revenue	**1,891**	1,265	**-**	-
Interest - other persons	**48**	208	**45**	203
Rental revenue	**-**	-	**925**	885
Realised/Unrealised foreign currency translation gains	**-**	302	**-**	-
	78,961	75,525	**6,108**	5,651
Other income				
Gain on acquisition of Magna (Note 6(d))	**-**	911	**-**	-
Debtor collection fee (Note 6(d))	**-**	333	**-**	-
Total Revenue	**78,961**	**76,769**	**6,108**	**5,651**
(b) Profit before tax includes the following:				
Fair value decrease in derivative financial instruments	**571**	151	**571**	151
Bad and doubtful debts				
- Trade receivables	**49**	467	**-**	-
Provision for non recovery of advances	**350**	350	**-**	-
Impairment of inventory (Note 8)	**-**	450	**-**	-
Impairment of Prepaid Royalties (Note 9)	**-**	500	**-**	-
Projects in development written off	**121**	237	**-**	-
Rental expense on operating leases				
- Minimum lease payments	**2,077**	1,435	**548**	527
Finance costs				
- External	**143**	121	**93**	69
Loss on disposal of asset	**1**	12	**-**	-
Depreciation and Amortisation				
- Tangible assets	**1,351**	894	**29**	30
- Intangible assets	**4**	532	**-**	-
- Copyright & licensing assets	**4,234**	3,951	**-**	-
	5,589	5,377	**29**	30
Realised/Unrealised foreign currency translation losses	**730**	-	**412**	188

	Economic Entity		Parent Entity	
	2010	2009	2010	2009
	$000's	$000's	$000's	$000's

3. REVENUES AND EXPENSES (Cont'd)

(c) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Gain on acquisition	-	911	-	-
Gain on acquisition of the business and assets of Magna Pacific Australia Pty Ltd and Magna Pacific NZ Ltd as detailed in Note 6(d).				
Included within Impairment of Assets category in the Statement of Comprehensive Income				
Impairment of capitalised development costs relating to Los Angeles office	-	(820)	-	-
Capitalised development costs incurred in 2009 in establishing LA Production office including salaries, rent and legal expenses.				
Impairment of Beyond Home Entertainment assets	-	(950)	-	-
Impairment of Inventory and Prepaid Royalties due to change in strategy following the merge of Beyond Home Entertainment and Magna Home Entertainment operations.				
	-	(1,770)	-	-

(d) Auditors' Remuneration

	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Remuneration of the auditor of the parent entity for:				
- Audit or review of the financial report	**320,349**	271,578	**316,349**	267,216
- Other non audit services	**41,449**	14,779	**19,449**	14,779
Remuneration of other auditors of subsidiaries for audit or review of the financial report	**90,797**	25,268	-	-

4. INCOME TAX EXPENSE/BENEFIT

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
(a) The components of tax expense comprise:				
Current income tax	**1,626**	(279)	**(437)**	(305)
Deferred income tax	**(400)**	1,282	**28**	17
Adjustments in respect of current income tax of previous years	**(193)**	(171)	**(458)**	50
Income tax expense/(benefit) reported in the Statement of Comprehensive Income	**1,033**	832	**(867)**	(238)
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:				
Profit before income tax	**6,062**	4,926	**2,819**	2,759
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2009: 30%)	**1,818**	1,478	**846**	827
Add:				
Tax effect of :				
- Other non-assesable/deductible items	**(345)**	(28)	**99**	(13)
	1,473	1,450	**945**	814
Less:				
Tax effect of :				
- Adjustments in respect of current income tax of previous years	**193**	171	**458**	(51)
- Effect of lower tax rate on overseas income	**324**	488	**-**	-
- Other	**(77)**	(41)	**1,354**	1,103
Income tax expense/(benefit)	**1,033**	832	**(867)**	(238)
The applicable weighted average effective tax rates are as follows:	**17%**	17%	**-31%**	-9%

The average effective tax rate of the parent entity has decreased due to adjustments in respect of current income tax of previous years.

(c) Deferred Tax Assets

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Deferred tax assets				
Deferred tax assets comprise:				
Provisions and accruals	**1,805**	1,532	**39**	67
Deferred tax assets attributable to tax losses	**1,193**	1,535	**-**	-
	2,998	3,067	**39**	67
Deferred tax liabilities				
Deferred tax liabilities comprises:				
Distribution guarantees and unrecouped program expenses	**6,138**	5,397	**-**	-
Other	**194**	1,063	**-**	-
	6,332	6,460	**-**	-

Deferred tax liabilities for Beyond TV Properties Bermuda and Beyond Film Properties totaling $1,106,984 have not been recognised due to the existence of tax losses not brought to account.

(d) Liabilities

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Current				
Income Tax	**158**	177	**-**	-

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

(e) Tax Consolidation

Beyond International Limited and its wholly owned Australian resident subsidiaries have formed a tax consolidated group. Beyond International Limited is the head entity of the tax consolidated group. Members of the group recognise their own current tax liability of each group entity is also 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

	Economic Entity 2010 Cents per share	Economic Entity 2009 Cents per share
Basic earnings per share:	**8.40**	7.28
Diluted earnings per share:	**8.05**	7.17

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

	Economic Entity 2010 $000's	Economic Entity 2009 $000's
Net profit attributable to ordinary equity holders (used in calculating basic earning per share)	**4,939**	4,280
Net profit attributable to ordinary equity holders (used in calculating diluted earning per share)	**4,939**	4,280
	Number	Number
Weighted average number of ordinary shares in calculating basic earnings per share	**58,799,468**	58,799,468
Effect of dilution:		
Employee Share Plan (note 24)	**2,537,500**	912,500
Weighted average number of ordinary shares adjusted for the effect of dilution	**61,336,968**	59,711,968

6. CASH FLOW INFORMATION

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Cash at bank and in hand	**1,432**	1,959	**435**	1,703

The average effective interest rate on cash at bank was 4.48 % (2009: 3.39 %)

(a) Reconciliation of Cash
For the purposes of the Statement of Cash Flows, cash and cash equivalent comprise the following at 30 June:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Cash at bank and in hand	**1,432**	1,959	**435**	1,703

(b) Reconciliation of cash flows from operations with net profit after income tax

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Profit after income tax	**5,029**	4,094	**3,686**	2,997
Adjustment for non-cash flow in profit:				
Depreciation and amortisation	**5,589**	5,377	**29**	30
Net loss on sale of non-current assets	**1**	12	**-**	-
Gain on acquisition (Note 6(d))	**-**	(911)	**-**	-
LA development costs classified as Investing Activities	**856**	820	**-**	-
Unrealised foreign exchange (gain)/loss	**410**	(61)	**427**	182
Dividends from subsidiaries not paid in cash	**-**	-	**(4,511)**	(3,675)
Share options expensed	**15**	-	**15**	-
Impairment of inventory and prepaid royalties (Note 3(c))	**-**	950	**-**	-
Changes in assets and liabilities, net of the effects of purchase & disposal of subsidiaries:				
(Increase)/decrease in trade and other receivables	**(5,361)**	(3,771)	**(1,748)**	(368)
Decrease/(increase) in inventory	**(264)**	(319)	**-**	-
(Increase)/decrease in other asset	**(1,768)**	(3,396)	**34**	(53)
Decrease/(increase) in deferred tax asset	**68**	(783)	**28**	17
Increase/(decrease) in trade and other creditors	**(1,671)**	3,404	**255**	204
(Increase)/decrease in deferred income tax liability	**(127)**	1,662	**-**	-
Increase/(decrease) in other liabilities	**3,917**	(363)	**-**	(251)
Increase/(decrease) in provisions	**175**	108	**-**	-
Cash flow from operations	**6,869**	6,823	**(1,785)**	(917)

(c) Disclosure of financing facilities
Details of credit standby arrangements and loan facilities are included in note 15.

6. CASH FLOW INFORMATION (Cont'd)

(d) Acquisition of entities

The cash outflow in the current year Statement of Cash Flows for payment for subsidiary, net of cash acquired is as follows:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Acquisition of ACMEC	**29**	1,338	-	-
Acquisition of Serious Business	-	450	-	-
Acquisition of Magna Pacific	**790**	256	-	-
Final instalment from 2008 acquisition of 100% of Beyond Home Entertainment	-	1,343	-	1,307
	819	3,387	-	1,307

The Magna Pacific acquisition payment during the year relates to deferred consideration for the 2009 acquisition of Magna Pacific. Details of this acquisition are provided below.

The ACMEC acquisition payment during the year relates to deferred consideration for the 2009 acquisition of ACMEC. Details of this acquisition are provided below. The balance of deferred consideration relating to this acquisition at 30 June 2010 is $31,000.

Acquisition of Magna Pacific

On 26 February 2009 Beyond Home Entertainment Pty Ltd, a wholly owned subsidiary of Beyond International Limited, acquired the trading business and assets of Magna Pacific Pty Ltd and Magna Pacific NZ Ltd.

Details of this transaction are:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Purchase consideration	-	3,931	-	-
Legal fees incurred	-	114	-	-
Cost of acquisition	-	4,045	-	-
Asset and liabilities held at acquisition date:				
Inventory	-	1,956	-	-
Film library	-	2,660	-	-
Plant & equipment	-	763	-	-
Employee provisions	-	(423)	-	-
	-	4,956	-	-
Gain on acquisition included in Other Income (Note 3(a))	-	(911)	-	-
	-	(911)	-	-
Reconciliation of cost of acquisition to cash outflow:				
Instalments paid	-	1,316	-	-
Other outflows including legal fees	-	297	-	-
Receipts collected on behalf of vendor	-	(1,357)	-	-
Cash outflow	-	256	-	-
Deferred consideration	-	790	-	-
Receivable adjustments (i)	-	2,666	-	-
Collection fee receivable (ii)	-	333	-	-
	-	3,789	-	-
	-	4,045	-	-

(i) Receipts from Magna Home Entertainment Pty Ltd debtors since acquisition contained deductions for credits for rebates and inventory returns relating to pre acquisition sales. These deductions form part of the total purchase consideration, and have been disclosed within Operating Cash flows within the current year Statement of Cash Flows.

The acquired businesses contributed revenues of $6,970,528 and a pre tax profit of $702,884 to the Beyond group for the period from 28 February 2009 to 30 June 2009. Due to a changed basis of costings and revenues, it is not practical to calculate the impact of the acquisition had it occurred on 1 July 2008.

The gain on acquisition as detailed above arose due to the purchase of the business and assets of Magna Pacific, which is a subsidiary of a parent that was in liquidation at the time of purchase. The assets and liabilities arising from the acquisition were reviewed in detail by management and by external accountants, and are recognised at fair value in the transaction.

Other transactions separate to acquisition
(ii) Beyond Home Entertainment Pty Ltd was appointed as agent for the receivers of the parent of Magna Pacific Pty Ltd and Magna Pacific NZ Ltd, to collect receipts relating to pre acquisition debtors. Beyond Home Entertainment Pty Ltd was entitled to a commission on collection, which has been included within Sales Revenue in Note 3 and within Operating Cash flows in the prior year Statement of Cash Flows.

6. CASH FLOW INFORMATION (Cont'd)

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's

Acquisition of Serious Business

On 31 July 2008 Beyond Home Entertainment Pty Ltd, a wholly owned subsidiary of Beyond International Limited, acquired the business and assets of Bentran Pty Ltd (trading as Serious Business).

Details of this transaction are:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Purchase consideration	-	450	-	-
Cash outflow	-	450	-	-

Asset and liabilities held at acquisition date:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Inventory	-	55	-	-
Goodwill on Consolidation	-	395	-	-
	-	450	-	-

The acquired business contributed revenues of $663,993 and a contribution margin of $250,837 to the consolidated entity for the period from 1 July 2008 to 30 June 2009. Due to a changed basis of costings and revenues, it is not practical to calculate the impact of the acquisition had it occurred on 1 July 2008.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying value.

The goodwill is attributable to the high profitability of the acquired business and the significant synergies expected to arise after the group acquisition. The acquisition will allow Beyond to expand its business into new markets.

Acquisition of ACMEC

On 21 October 2008 Beyond Home Entertainment Pty Ltd, a wholly owned subsidiary of Beyond International Limited, acquired the business and assets of Arthur & Pat Laing Entertainment Pty Ltd (as a trustee for the ACMEC Trust).

Details of this transaction are:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Purchase consideration	-	1,360	-	-
Legal fees incurred	-	38	-	-
Deferred consideration - performance payments	-	(60)	-	-
Cash outflow	-	1,338	-	-

Asset and liabilities held at acquisition date:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Inventory	-	136	-	-
Goodwill on Consolidation	-	1,262	-	-
	-	1,398	-	-

The acquired business contributed revenues of $1,604,202 and a contribution margin of $626,657 to the consolidated entity for the period from 21 October 2008 to 30 June 2009. Due to a changed basis of costings and revenues, it is not practical to calculate the impact of the acquisition had it occurred on 1 July 2008.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying value.

Other acquisition payments made during the period from 1 July 2008 to 30 June 2009 relate to the deferred consideration recorded on acquisition of the remaining 49% of Beyond Home Entertainment in May 2008. An adjustment to Other Equity Reserve was made during 2009 and the balance of the reserve was transferred to accumulated losses in 2010.

Other Equity Reserve

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Opening balance (Note 19)	**(1,982)**	(1,936)	-	-
Final consideration payments in excess of deferred consideration estimate	-	(9)	-	-
Adjustment for acquisition legal fees	-	(37)	-	-
Transfer to accumulated losses	**1,982**	-		
Closing balance	-	(1,982)	-	-

7. TRADE AND OTHER RECEIVABLES

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Current				
Trade receivables (i)	**24,680**	19,371	**503**	422
Provision for impairment of receivables	**(2,106)**	(2,110)	**-**	-
	22,574	17,261	**503**	422
Amounts receivable from:				
- wholly-owned subsidiaries (ii)	**-**	-	**7,927**	5,710
	22,574	17,261	**8,430**	6,132
Non-current				
Trade receivables (i)	**566**	781	**-**	-
	566	781	**-**	-

(i) Credit terms for the economic 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 economic 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 are government owned, or are listed entities whose published annual reports indicate they continue to be credit-worthy.

Debtors within other divisions are provided for on a specific basis based on an assessment of recoverability. Beyond 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 economic entity's trade receivables balance are debtors with a carrying amount of $2.5m 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 default experience.

Included in the economic entity's trade receivables balance are debtors with a carrying amount of $253,000 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. 90% of this balance relates to four debtors whereby there has not been a significant change in credit quality and the amounts are still considered recoverable.

Included in the parent entity's trade receivables balance are debtors with a carrying amount of $112,000 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. This balance relates solely to two debtors whereby there has not been a significant change in credit quality and the amounts are still considered recoverable.

Included in the economic entity's trade receivables balance is a debtor with a carrying amount of $873,000 which relates to an application to Screen Australia for a certificate for the producer offset pursuant to section 376-65 of the Income Tax Assessment Act 1997 in relation to the television program Taboo Series 5. The application is currently the subject of an appeal in the Administrative Appeals Tribunal. However the amount is still considered recoverable.

Amounts due to the parent entity from wholly owned subsidiaries are not past due.

(ii) Details of related party receivables are included in note 29.

Ageing of debtors	Economic Entity 2010 $000's Gross	Economic Entity 2010 $000's Provision	Economic Entity 2009 $000's Gross	Economic Entity 2009 $000's Provision	Parent Entity 2010 $000's Gross	Parent Entity 2010 $000's Provision	Parent Entity 2009 $000's Gross	Parent Entity 2009 $000's Provision
Not past due	**20,396**	**-**	12,404	-	**391**	**-**	295	-
Past due 0-90 days	**2,462**	**(45)**	4,669	(52)	**-**	**-**	-	-
Past due 91-180 days	**91**	**(17)**	481	(32)	**-**	**-**	-	-
Past due 180+ days	**2,297**	**(2,044)**	2,598	(2,026)	**112**	**-**	127	-
	25,246	**(2,106)**	20,152	(2,110)	**503**	**-**	422	-

Reconciliation of Provision for impairment of receivables	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Opening balance	**(2,110)**	(1,884)	**-**	-
Additional provision recognised	**(38)**	(465)	**-**	-
Utilised	**42**	239	**-**	-
Closing balance	**(2,106)**	(2,110)	**-**	-

8. INVENTORIES

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Current - at cost				
DVD Stock - raw material (i)	**1,740**	2,216	**-**	-
DVD Stock - finished goods (i)	**2,297**	1,545	**-**	-
Stock footage	**37**	49	**-**	-
	4,074	3,810	**-**	-

(i) During 2009 the economic entity recognised an impairment of $450,000 on inventory. This expense has been disclosed in Note 3 (b) and is included within the Impairment of assets classification in the Statement of Comprehensive Income. The impairment arose after a detailed review by management, in connection with the change in strategy that has occurred with the merge of the DVD businesses since the acquisition of Magna as per Note 6(d).

9. OTHER ASSETS

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Current				
Capitalised development costs (i)	**1,628**	1,734	**-**	-
Less: Deferred revenue	**(443)**	(381)	**-**	-
	1,185	1,353	**-**	-
Distribution advances	**4,069**	5,763	**-**	-
Provision for impairment of distribution advances (ii)	**(1,375)**	(2,886)	**-**	-
	2,694	2,877	**-**	-
Prepaid royalties (iii)	**6,224**	5,913	**-**	-
Capitalised production costs	**5,135**	5,046	**-**	-
Prepayments	**443**	625	**135**	171
GST receivable	**-**	86	**-**	126
	5,578	5,757	**135**	297
	15,681	15,900	**135**	297
Non-current				
Distribution advances	**2,311**	2,228	**-**	-
Provision for impairment of distribution advances (ii)	**(1,630)**	(833)	**-**	-
	681	1,395	**-**	-

(i) During 2009 the economic entity capitalised costs in relation to the establishment of a Los Angeles office totaling $973,143. During 2009 the economic entity also recognised an impairment on these assets totaling $820,397. This expense has been disclosed in Note 3 (b) and is included within the Impairment of assets classification in the Statement of Comprehensive Income.

(ii) 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 Comprehensive Income and in Note 3(b).

(iii) During 2009 the economic entity recognised an impairment of $500,000 on Prepaid royalties. This expense has been disclosed in Note 3 (b) and is included within the Impairment of assets classification in the Statement of Comprehensive Income. The impairment arose after a detailed review by management, in connection with the change in strategy that has occurred with the merge of the DVD businesses since the acquisition of Magna as per Note 6(d).

10. INVESTMENTS

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Non-current				
Shares in controlled entities - at cost (i)	**-**	-	**8,636**	8,636

(i) Investments comprise of ordinary issued share capital of various entities (note 25) and are reflected at cost. There are no fixed returns or fixed maturity date attached to these investments.

11. FINANCIAL ASSETS

		Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Available-for-sale financial assets	11 (a)	**207**	205	**-**	-
Derivative financial assets	11 (b)	**127**	699	**127**	699
		334	904	**127**	699

(a) Available-for-sale Financial Assets (Non Current)

		Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Listed investments:					
Shares - at fair value (i)		**207**	205	**-**	-

(b) Derivative Financial Assets (Current)

		Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Foreign currency forward contracts - at fair value	27	**127**	699	**127**	699

(i) In 2008, the economic 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 2010, and losses including the revaluation to Australian dollar, totaling $216,265 have been recognised directly in the Investment Revaluation Reserve (equity).

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).

	Economic Entity 2010			Economic Entity 2009		
	Level 1 $000's	Level 2 $000's	Total $000's	Level 1 $000's	Level 2 $000's	Total $000's
Financial assets:						
Financial assets at fair value through profit or loss:						
- derivative instruments	-	127	127	-	699	699
Available-for-sale financial assets:						
- listed investments	207	-	207	205	-	205
	207	127	334	205	699	904

	Parent Entity 2010			Parent Entity 2009		
	Level 1 $000's	Level 2 $000's	Total $000's	Level 1 $000's	Level 2 $000's	Total $000's
Financial assets:						
Financial assets at fair value through profit or loss:						
- derivative instruments	-	127	127	-	699	699
	-	127	127	-	699	699

Note: During the 2010 financial period, the economic and parent entity had nil value of Level 3 financial assets and financial liabilities (2009: 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 is 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.

12. PROPERTY, PLANT AND EQUIPMENT

	Economic Entity			Parent Entity	
	Plant & equipment	Leased MV & equipment	Total	Plant & equipment	Total
Year ended 30 June 2010	$000's	$000's	$000's	$000's	$000's
Balance at 1 July 2009	2,514	81	2,595	110	110
Additions	838	239	1,077	12	12
Disposal	(14)	-	(14)	-	-
Depreciation charge for the year	(1,249)	(102)	(1,351)	(29)	(29)
Exchange adjustment	1	-	1	-	-
Carrying amount at 30 June 2010	**2,090**	**218**	**2,308**	**93**	**93**
As at 1 July 2009					
Cost	10,490	146	10,636	1,005	1,005
Accumulated depreciation and impairment	(7,976)	(65)	(8,041)	(895)	(895)
Net carrying amount	2,514	81	2,595	110	110
As at 30 June 2010					
Cost	11,004	385	11,389	1,017	1,017
Accumulated depreciation and impairment	(8,914)	(167)	(9,081)	(924)	(924)
Net carrying amount	**2,090**	**218**	**2,308**	**93**	**93**

.

	Plant & equipment	Leased MV & equipment	Total	Plant & equipment	Total
Year ended 30 June 2009					
Balance at 1 July 2008	1,604	121	1,725	74	74
Additions	1,013	-	1,013	66	66
Disposal	(11)	-	(11)	-	-
Acquisition of Subsidiary (Note 6(d))	762	-	762	-	-
Depreciation charge for the year	(854)	(40)	(894)	(30)	(30)
Carrying amount at 30 June 2009	2,514	81	2,595	110	110
As at 1 July 2008					
Cost	8,726	146	8,872	939	939
Accumulated depreciation and impairment	(7,122)	(25)	(7,147)	(865)	(865)
Net carrying amount	1,604	121	1,725	74	74
As at 30 June 2009					
Cost	10,490	146	10,636	1,005	1,005
Accumulated depreciation and impairment	(7,976)	(65)	(8,041)	(895)	(895)
Net carrying amount	2,514	81	2,595	110	110

	Economic Entity		Economic Entity	
	2010	2009	2010	2009
	$000's	$000's	$000's	$000's
13. INTANGIBLE ASSETS				
Rights Licensing System				
Cost	**2,527**	2,527	**-**	-
Accumulated amortisation and impairment	**(2,527)**	(2,527)	**-**	-
Net carrying value	**-**	-	**-**	-
Patent and Licenses				
Cost	**233**	233	**-**	-
Accumulated impairment losses	**(58)**	(54)	**-**	-
Net carrying value	**175**	179	**-**	-
Purchased Goodwill				
Cost	**3,469**	3,469	**-**	-
Total Intangibles	**3,644**	3,648	**-**	**-**

	Economic Entity				Parent Entity	
	Rights Licensing System	Patent and licenses	Goodwill	Total	Patent and licenses	Total
	$000's	$000's	$000's	$000's	$000's	$000's
Year ended 30 June 2010						
At 1 July 2009, net of accumulated amortisation and impairment	-	179	3,469	3,648	-	-
Amortisation	-	(4)	-	(4)	-	-
At 30 June 2010, net of accumulated amortisation and impairment	**-**	**175**	**3,469**	**3,644**	**-**	**-**
Year ended 30 June 2009						
At 1 July 2008, net of accumulated amortisation and impairment	527	184	1,812	2,523	-	-
Acquisitions	-	-	1,657	1,657	-	-
Amortisation	(527)	(5)	-	(532)	-	-
At 30 June 2009, net of accumulated amortisation and impairment	-	179	3,469	3,648	**-**	**-**

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 and the Rights Licensing System (RLS) has also been assessed as having a finite life and is amortised using straight line method over a period of 5 years. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of 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.

Impairment Disclosure

No impairment loss of intangibles was recognised in the 2010 financial year.

Goodwill of $1,261,711 and $394,805 arose on the acquisition of the business assets of ACMEC and Serious Business respectively. The full amount of goodwill of $3,469,000 at 30 June 2010 is in respect of the ACMEC and Serious Business acquisition in 2010 and the Eurocam and Beyond Home Entertainment acquisitions in previous periods. These entities are treated as separate cash-generating units and their recoverable amount is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period. The cash flows are discounted using the yield of 5-year government bonds at the beginning of the budget period.

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

	Growth Rate		Discount Rate	
All businesses	7.5 - 10%	(2009: 7.5 - 10%)	10.00%	(2009: 10%)

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

14. TRADE AND OTHER PAYABLES

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Current (unsecured)				
Trade payables (i)	**3,495**	5,012	**296**	369
Other creditors and accruals (ii)	**2,358**	3,780	**239**	235
Employee benefits	**1,258**	1,214	**-**	-
	7,111	10,006	**535**	604

(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 27.
(ii) Included in other creditors and accruals in 2009 were amounts due for the acquisition of Magna as disclosed in Note 6 (d). These amounts, totaling $789,852 are payable in two instalments within six months of the reporting date.

15. BORROWINGS

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
At amortised cost				
Current (secured)				
Lease liabilities (note 23)	**83**	41	**-**	-
	83	41	**-**	-
Non-Current (secured)				
Lease liabilities (note 23)	**132**	3	**-**	**-**
	132	3	**-**	-
Total current and non-current secured liabilities	**215**	44	**-**	-

Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available

	Economic Entity 2010	Economic Entity 2009	Parent Entity 2010	Parent Entity 2009
Secured bank overdraft facility				
Used at reporting date	**-**	-	**-**	-
Unused at reporting date	**1,400**	1,400	**1,000**	1,000
Total facility	**1,400**	1,400	**1,000**	1,000

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 bill rate plus 1.65%.

The overdraft facility are secured by certain covenants on the economic 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%

Amount of Assets Pledged as Security

	Economic Entity 2010	Economic Entity 2009	Parent Entity 2010	Parent Entity 2009
Fixed and floating charge over assets	**54,292**	51,320	**17,895**	17,644
Total assets pledged as security	**54,292**	51,320	**17,895**	17,644

16. PROVISIONS

	Economic Entity		Parent Entity	
	Long-term Employee Benefit	Total	Long-term Employee Benefit	Total
	$000's	$000's	$000's	$000's
Opening balance at 1 July 2009	**1,129**	**1,129**	-	-
Arising during the year	**178**	**178**	-	-
Utilised	**(3)**	**(3)**	-	-
Balance at 30 June 2010	**1,304**	**1,304**	-	-

	Economic Entity		Parent Entity	
	2010	2009	2010	2009
	$000's	$000's	$000's	$000's
Analysis of Total Provisions				
Non-current	**1,304**	1,129	**-**	-
	1,304	1,129	**-**	-

Provision for Long-term Employee benefits

A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report. The timing of the outflow of long-term employee benefits is uncertain.

17. OTHER LIABILITIES

Current				
Unsecured liabilities				
Deferred revenue	**3,201**	1,328	**-**	-
GST Payable	**670**	-	**250**	-
Producer share payable	**4,683**	2,765	**-**	-
	8,554	4,093	**250**	-
Non-current				
Unsecured liabilities				
Producer share payable	**234**	446	**-**	-
	234	446	**-**	-

18. ISSUED CAPITAL

(a) Share Capital				
61,336,968 ordinary shares - fully paid (2009: 59,711,968)	**33,315**	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 cancelable at the Directors discretion upon an option holder ceasing to be an employee (refer note 24).

(c) Employee Share Plan

On 11 March 2010, 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 24).

19. 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 11(a).

Other Equity Reserve
The other equity reserve recorded the excess between the purchase consideration and net assets fully acquired on the acquisition of the remaining 49% of Beyond Home Entertainment in 2008. This amount was not recorded against goodwill as the economic entity was the controlling entity at the time of the remaining acquisition. The balance of $1,981,665 was transferred to accumulated losses in the 2010 financial year.

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 Comprehensive Income at average rate for Magna Home Entertainment NZ Limited which has a functional currency of New Zealand Dollars (NZD).

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
20. NON-CONTROLLING INTEREST				
Interest in:				
Accumulated losses	**(785)**	(875)	**-**	-
21. DIVIDENDS				
Distributions paid				
Interim unfranked ordinary dividend of three cents per share (2009: two cents)	**1,840**	1,194	**1,840**	1,194
On 27th August 2010, the directors declare a final unfranked dividend of three cents per share, totaling $1,840,109 (2009 : three cents per share totaling $1,791,359).	**1,840**	1,791	**1,840**	1,791
Estimated amounts of reserves and retained profits that could be distributed as dividends and be franked out of existing franking credits.	**246**	246	**218**	218

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

22. CONTINGENT ASSETS AND LIABILITIES

Beyond Distribution has provided a distribution guarantee which guarantees the investors in the Beyond Group Media Fund will receive by 30 June 2011 on a cumulative basis from all territories an amount equal to the level of pre-sales or 70% of the cost of acquiring the copyright.

The distributor has entered into a credit insurance arrangement with an arm's length financial institution for the purpose of enhancing the credit obligations of the third party broadcasters and of the distributor. The directors believe these arrangements will ensure there is no future financial exposure to the Beyond group.

Commercial dispute
The receiver of Destra MP Pty Ltd, from whom the Company acquired the Magna Pacific Home Entertainment business in February 2009, has commenced proceedings in the NSW Supreme Court claiming the sum of $2.46 million from Magna Home Entertainment Pty Ltd, a subsidiary of the Company, and Beyond.

The Company believes the proceeding is without substance and will be strenuously defended.

23. COMMITMENTS

(i) OPERATING LEASE COMMITMENTS

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Total lease expenditure contracted at reporting date but not recognised in the financial statements:				
Payable no later than one year	**1,892**	2,042	**565**	546
Payable later than one, not later than five years	**5,930**	6,621	**1,189**	1,754
Payable later than five years	**681**	1,826	**-**	-
	8,503	10,489	**1,754**	2,300

(ii) DISTRIBUTION GUARANTEE COMMITMENTS

In the course of the economic entity's feature film, television and DVD 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:

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Not later than one year				
Distribution Guarantee	**408**	405	**-**	-
Home Entertainment Advances	**2,189**	2,319	**-**	-
Later than one year but not later than five years				
Distribution Guarantee	**1,120**	538	**-**	-
Home Entertainment Advances	**740**	985	**-**	-
Later than five years				
Distribution Guarantee	**-**	596	**-**	-
	4,457	4,843	**-**	-

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

(iii) FINANCE LEASE COMMITMENTS

	Economic Entity 2010 $000's	Economic Entity 2009 $000's	Parent Entity 2010 $000's	Parent Entity 2009 $000's
Payable - minimum lease payments				
- not later than 12 months	**103**	50	**-**	-
- between 12 months and 5 years	**140**	5	**-**	-
Minimum lease payments	**243**	55	**-**	-
less Future finance charges	**(28)**	(11)	**-**	-
Present value of minimum lease payments	**215**	44	**-**	-

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

24. SHARE BASED PAYMENTS

General Employee Share Loan Plan

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

(a) assist in the retention and motivation of employees and Directors of the economic entity by providing them with a greater opportunity to participate as shareholders in the success of the economic entity; and
(b) create a culture of share ownership amongst the employees of the economic entity.

There have been two 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 2010.

- 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 both 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	912,500	0.600	144,180
Issue of shares under the 2010 employee share plan	300,000	0.645	29,598
Issue of shares under the 2010 employee share plan	1,325,000	0.750	130,727
Exercisable at year end	2,537,500	0.684	304,505

The grant fair value of the shares 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	53,442
Financial year ending 30 June 2012	53,442
Financial year ending 30 June 2013	37,855

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.

25. CONTROLLED ENTITIES

(a) Controlled entities consolidated

Name of entity	Country of formation or incorporation	Beyond International Limited direct interest in ordinary shares 2010 %	2009 %
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
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
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.

Name of entity	Country of formation or incorporation	2010 %	2009 %
Controlled entities of Beyond International Group Inc:			
Beyond Productions Inc	USA	100	100
Beyond Finance USA Inc	USA	100	100

25. CONTROLLED ENTITIES (Cont'd)

	Country of formation or incorporation	Interest in ordinary shares	
		2010 %	2009 %
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 Entertainment Limited			
Beyond Finance (BOC) Inc. (refer note 25(b))	USA	0	100
Beyond Finance (MERC) Inc (refer note 25(b))	USA	0	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
Controlled entities of Magna Home Entertainment Pty Limited			
Magna Home Entertainment (NZ) Limited	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

(b) Dissolution of controlled entities

On 11 September 2009, Beyond Finance (BOC) Inc and Beyond Finance (MERC) Inc were dissolved. There was no financial impact to the economic entity.

26. INVESTMENTS IN ASSOCIATES

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

Name of associate	Principal activity	Ownership interest (2009: 50%)	Reporting date	Consolidated carrying amount 2010 $000's	Consolidated carrying amount 2009 $000's
Unlisted					
Beyond Reilly Pty Ltd	TV Production	0%	30 June	-	-
				-	-

Beyond Reilly Pty Ltd was deregistered during the current year. Retained earnings, aggregate profits and liabilities are nil.

27. FINANCIAL INSTRUMENTS

(i) Capital Risk Management

The economic 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 economic entity's strategy remains unchanged from 2009.

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 economic entity operates globally, primarily through subsidiary companies established in the markets in which the group trades. None of the economic entities are subject to externally imposed capital requirements.

Operating cash flows are used to make the routine outflows of tax and dividends. Proceeds from the sale of the land and building in 2008 have been used to fund acquisitions in the last year, and will be used to fund acquisitions in the forthcoming years.

(ii) Market Risk

The economic entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 27 (iii)).

(iii) Foreign Currency Risk Management

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

Derivative financial instruments are used by the economic 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 economic 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:

	2010		2009	
	Financial Assets $000's	Financial Liabilities $000's	Financial Assets $000's	Financial Liabilities $000's
Economic Entity				
US Dollars	**6,277**	**126**	5,707	406
Euro	**1,496**	**210**	1,260	394
Great British Pound	**1,064**	**172**	568	163
New Zealand Dollars	**369**	**211**	460	303
Other	**121**	**31**	102	-
	9,327	**750**	8,097	1,266
Parent Entity				
US Dollars	**127**	**35**	704	35
Euro	**-**	**-**	-	-
Great British Pound	**-**	**15**	-	15
New Zealand Dollars	**-**	**-**	-	-
Other	**-**	**-**	-	-
	127	**50**	704	50

27. FINANCIAL INSTRUMENTS (Cont'd)

The following table details the parent and economic 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.

	2010		2009	
	10% increase	10% decrease	10% increase	10% decrease
	$000's	$000's	$000's	$000's
Economic Entity				
Profit/(loss)	**(84)**	**102**	(42)	51
Other equity	**(19)**	**23**	(19)	23
	(103)	**125**	(61)	74
Parent Entity				
Profit/(loss)	**705**	**(862)**	569	(695)
	705	**(862)**	569	(695)

Forward foreign exchange contracts

It is the policy of the economic entity to enter into forward foreign exchange contracts to cover specific production foreign currency receipts.
The economic 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.

Economic Entity & Parent Entity	**Average Exchange 2010**	**Principal Amount 2010**	**Average Exchange 2009**	**Principal Amount 2009**
Outstanding Contracts		**$000's**		**$000's**
Sell USD				
Less than 3 months	**0.8487**	**2,552**	0.7135	3,579
3 to 6 months	**0.8026**	**2,493**	0.7319	3,006
Longer than 6 months	**0.8180**	**2,787**	0.7795	213
		7,832		6,798
Gains or Losses from forward exchange contracts				
Unrealised Gains		**127**		699
Unrealised Losses		**-**		-
		127		699

(iv) Interest Rate Risk Management

The company and the group's exposure to interest rate risk is minimal. The group does not have significant borrowings in the current or prior periods. At 30 June 2010 there are no borrowings attached to variable interest rates.

The company and the group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

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 parent entity and the economic entity would increase or decrease by $5,000 (2009: $17,000).

(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 economic entity's short, medium and long-term funding and liquidity management requirements. This framework is not formally documented. The economic entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. Included in note 15 is a listing of additional undrawn facilities that the economic entity has at its disposal to further reduce liquidity risk.

27. FINANCIAL INSTRUMENTS (Cont'd)

Liquidity and interest risk tables
The following tables detail the parent and the economic entity's remaining contractual maturity for it's financial liabilities.

Economic Entity

	Notes	Average interest rate %	Less than 6 months $000's	6 months to 1 year $000's	1 to 5 years $000's	5+ years $000's	Total Outflows $000's	Carrying amount $000's
2010								
Financial liabilities								
Trade & other payables	14	-	6,482	629	-	-	7,111	7,111
Producer share payable	17	-	2,341	2,342	234	-	4,917	4,917
Finance Leases	15	14.22	53	50	140	-	243	215
Total financial liabilities			8,876	3,021	374	-	12,271	12,243
2009								
Financial liabilities								
Trade & other payables	14	-	9,399	607	-	-	10,006	10,006
Producer share payable	17	-	1,382	1,383	446	-	3,211	3,211
Finance Leases	15	12.79	24	23	4	-	51	44
Total financial liabilities			10,805	2,013	450	-	13,268	13,261

Parent Entity

	Notes	Average interest rate %	Less than 6 months $000's	6 months to 1 year $000's	1 to 5 years $000's	5+ years $000's	Total Outflows $000's	Carrying amount $000's
2010								
Financial liabilities								
Trade & other payables	14	-	535	-	-	-	535	535
2009								
Financial liabilities								
Trade & other payables	14	-	604	-	-	-	604	604

(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 economic entity. The economic 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 economic 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 economic 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 economic 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 economic entity is exposed to equity price risk arising from the equity investments classified as available-for-sale assets in Note 11(a). Equity investments are held for strategic rather than trading purposes. The Economic Entity does not actively trade in this investment.

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 economic entity's reserves would increase or decrease by $41,000 (2009: $41,000), as a result of changes in fair value of available-for-sale shares.

27. FINANCIAL INSTRUMENTS (Cont'd)

(viii) 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% (2009: 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	
	2010	2009	2010	2009
	$000's	$000's	$000's	$000's
Financial assets				
Cash and cash equivalents	**1,432**	1,959	**1,432**	1,959
Loans and receivables	**23,140**	18,042	**23,098**	17,984
Derivatives	**127**	699	**127**	699
Available-for-sale	**207**	205	**207**	205
	24,906	20,905	**24,864**	20,847
Financial liabilities, at amortised cost				
Finance leases	**215**	44	**215**	44
Trade payables	**7,111**	10,006	**7,111**	10,006
Producer share payable	**4,917**	3,211	**4,900**	3,178
	12,243	13,261	**12,226**	13,228

28. 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 six executives with the greatest authority for the strategic directions and management of the economic entity ("specified executives") during the financial year.

Name	Position	Employer
J Luscombe	General Manager - Productions & Senior Vice President	Beyond Television Group Pty Limited
T McGee	General Manager - Business Development	Beyond Television Group Pty Limited
F Crago	General Manager - Distribution	Beyond Television Group Pty Limited
R Milne	General Manager - Finance & Company Secretary	Beyond Television Group Pty Limited
P Tehan	Manager - Legal & Business Affairs	Beyond Television Group Pty Limited
P Maddison	General Manager - Home Entertainment	Magna Home Entertainment Pty Limited

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

28. KEY MANAGEMENT PERSONNEL COMPENSATION (Cont'd)

(i) DIRECTORS' REMUNERATION

Directors of Beyond International Limited

2010	Short-term benefits			Post-employment Benefits	Share-based payment	
Name	Cash, salary and commissions	Bonus	Non-monetary benefits	Superannuation	Equity	Total
	$	$	$	$	$	$
M Borglund	631,438	-	-	14,461	960	646,859
I Ingram	160,000	-	-	-	960	160,960
A Lee	45,872	-	-	4,128	480	50,480
I Robertson	45,872	-	-	4,128	480	50,480
Total	883,182	-	-	22,717	2,880	908,779

2009	Short-term benefits			Post-employment Benefits	Share-based payment	
Name	Cash, salary and commissions	Bonus	Non-monetary benefits	Superannuation	Equity	Total
	$	$	$	$	$	$
M Borglund	623,915	-	-	13,745	-	637,660
I Ingram	160,000	-	-	-	-	160,000
A Lee	45,872	-	-	4,128	-	50,000
I Robertson	45,872	-	-	4,128	-	50,000
Total	875,659	-	-	22,001	-	897,660

No options have been granted to directors in the current financial year (2009: nil).
Mr Borglund is the only Executive Director employed by Beyond International Limited.

(ii) EXECUTIVES' REMUNERATION

Specified Executives of the economic entity

2010	Short-term benefits			Post-employment Benefits	Share-based payment	
Name	Cash, salary and commissions	Bonus	Non-monetary benefits	Superannuation	Equity	Total
	$	$	$	$	$	$
J Luscombe	459,121	591,215	-	14,461	960	1,065,757
T McGee	211,091	-	-	14,461	480	226,032
F Crago	272,319	54,464	-	14,461	720	341,964
R Milne	184,403	-	-	14,461	720	199,584
P Tehan	177,650	-	-	14,461	480	192,591
P Maddison	300,000	-	-	14,261	720	314,981
Total	1,604,584	645,679	-	86,566	4,080	2,340,909

2009	Short-term benefits			Post-employment Benefits	Share-based payment	
Name	Cash, salary and commissions	Bonus	Non-monetary benefits	Superannuation	Equity	Total
	$	$	$	$	$	$
J Luscombe	459,295	353,168	-	13,988	-	826,451
T McGee	208,538	-	-	13,745	-	222,283
F Crago	262,624	35,506	-	13,593	-	311,723
R Milne	182,040	-	-	13,745	-	195,785
P Tehan	175,532	-	-	13,745	-	189,277
P Maddison (i)	103,845	-	-	8,567	-	112,412
Total	1,391,874	388,674	-	77,383	-	1,857,931

(i) Represents salary paid since the acquisition of Magna on 26 February 2009.

28. KEY MANAGEMENT PERSONNEL COMPENSATION (Cont'd)

(iii) SHAREHOLDINGS

Number of Shares held by Directors and Specified Executives

Parent Entity Directors	Balance 1.07.09	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.6.10
M Borglund	3,405,701	100,000	-	3,400	3,509,101
I Ingram	11,927,494	100,000	-	27,094	12,054,588
A Lee	5,424,997	50,000	-	-	5,474,997
I Robertson	60,000	50,000	-	-	110,000
Total	20,818,192	300,000	-	30,494	21,148,686

Specified Executives	Balance 1.07.09	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.6.10
J Luscombe	148,478	125,000	-	-	273,478
T McGee	25,000	50,000	-	-	75,000
F Crago	50,000	75,000	-	-	125,000
R Milne	75,000	75,000	-	-	150,000
P Tehan	25,000	50,000	-	-	75,000
P Maddison	-	75,000	-	-	75,000
Total	323,478	450,000	-	-	773,478

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

29. 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 25.

(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 is disclosed in note 28 and the Directors Report.

Loans to key management personnel
There were no outstanding loans as at 30 June 2010 or at any point during the year.

29. RELATED PARTIES (Cont'd)

Equity transactions with directors and their director-related entities

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

		Parent entity and consolidated	
		2010	**2009**
		Number	
Acquisitions	Ordinary shares	**330,494**	2,020,000
Disposals	Ordinary shares	**-**	-

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

Issuing entity	*Class of equity instruments*	**Number**	
Beyond International Limited	Ordinary shares	**21,148,686**	20,818,192
	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 economic entity.

		Economic Entity		Parent Entity	
		2010	**2009**	**2010**	**2009**
		$	**$**	**$**	**$**
Directors	*Director related entity*				
Denis Spencer	DSP Television Pty Ltd	**221,000**	214,200	**-**	-

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 economic entity and their director-related entities:

	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Transaction type				
Executive producer services	**221,000**	214,200	**-**	-

Aggregate amounts payable to and receivable from director-related (associate) entities at reporting date:

	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Current receivables (trade debtors note 7)	**-**	341,000	**341,000**	341,000
Amounts provided for	**-**	(341,000)	**(341,000)**	(341,000)
Current trade payables (Note 14)	**432,614**	262,529	**-**	-

29. RELATED PARTIES (Cont'd)

(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

		Economic Entity		Parent Entity	
		2010	2009	2010	2009
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	Associates	**301,423**	219,932	**154,294**	180,736
Joint lease of premises	Associates	**37,516**	48,493	**-**	-

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

(v) AMOUNTS RECEIVABLE FROM AND PAYABLE TO ENTITIES IN THE WHOLLY-OWNED GROUP AND OTHER RELATED PARTIES

	Economic Entity 2010 $	Economic Entity 2009 $	Parent Entity 2010 $	Parent Entity 2009 $
Aggregate amounts receivable at balance date from:				
Current				
Wholly owned subsidiaries (note 7)	**-**	-	**7,926,740**	5,710,308
Less provision for doubtful receivables	**-**	-	**-**	-
	-	-	**7,926,740**	5,710,308
Associates	**-**	341,191	**-**	-
Provision against associates	**-**	(341,191)	**-**	-

(vi) TRANSACTIONS WITHIN THE WHOLLY OWNED GROUP

Parent entity

All parent entity income is from sources within the group with the exception of interest $44,998 (2009: $202,873) (refer to note 3(a)).

Balances due from within the group to the parent entity (Note 7):	2010 $	2009 $
Beyond Television Pty Ltd	**7,926,740**	5,710,308

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

30. SUBSEQUENT EVENTS

(i) Dividend

Final dividend declared as detailed in Note 21. With the exception of the dividends, there are no subsequent events to disclose.

31. COMPANY DETAILS

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

Beyond International Limited
109 Reserve Rd
Artarmon, NSW 2064
Australia

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
DIRECTORS' DECLARATION

The directors of Beyond International Limited declare that:

(a) in the directors' opinion the financial statements and notes on pages 23 to 62, and the remuneration disclosures that are contained in the Remuneration report in the Directors report, set out on pages 16 to 19, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and the economic entity's financial position at 30 June 2010 and of their performance, for the financial year ending on that date;

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the company and the group entities identified in note 25 will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Managing Director and General Manager - Finance for the financial year ended 30 June 2010, required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors

Mikael Borglund
Managing Director

30 August 2010
Sydney

Chartered Accountants
& Business Advisers

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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, selected explanatory notes and the directors' declaration for both Beyond International Limited (the company) and the consolidated entity. The consolidated entity comprises 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

Chartered Accountants
& Business Advisers

Independence

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

Auditor's 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 company's and consolidated entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 19 of the directors' report for the year ended 30 June 2010. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Beyond International Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Acts 2001*.

PKF

PKF

Tim Sydenham
Partner
Date: 30 August 2010