

Appendix 4E

Preliminary Final Report

1. Company Details

Name of entity:	BKM Management Limited
ABN:	61 009 146 543
Reporting Period:	Year ended 30 June 2012
Previous Corresponding Period:	Year ended 30 June 2011

2. Results for announcement to the market

Revenues	up	24.70%	to	\$2,051,024
Loss after tax attributable to members	down	46.70%	to	(\$691,654)
Net loss for the period attributable to members	down	46.70%	to	(\$691,654)

Comments

Another challenging year. During the year under review BKM Management Ltd (BKM) made progress in improving its financial position. Revenues have increased, operating costs have reduced. The overall loss for the year has amounted to \$692k including a non-cash impairment expense of \$631k. This compares favourably with the previous year the group loss amounted to \$1,288k including a non cash impairment expense of \$789k.

The other significant improvement for the company during the year was the conversion of Convertible Securities to equity after the 2011 AGM. Addition equity issued during the year amounted to \$1,031k. These changes were made to underpin progressing BKM ahead in its future endeavours. Management has agreement from additional convertible security holders to convert to equity at \$0.006 per share subject to shareholders approval.

The Company's activities with OneMet Minerals Pty Ltd has unfortunately not progressed further due to unfavourable market conditions for new listings. At this stage, BKM may no longer pursue this opportunity until significant change in the IPO environment.

BKM has maintained its interest in Scene Model Management Pty Ltd (Scene) and IGC Asia Pte Ltd (IGC) during the year as discussed below.

Net liability position: following the write down of the IGC investment and operating loss, the company has a negative net asset position amounting to \$141k, down from \$481k in 2011. This will improve after the conversion of Convertible securities mentioned above. Additional equity is expected to be issued upon the commitment to any additional expansion or growth plans.

Scene Model Management Pty Ltd

The majority of the consolidated entity's revenue was derived from Scene's operations. Revenue for the period increased significantly to \$2,046k compared with \$1,638k in the face of improvement in trading environment. With this Scene was able to generate a profit of \$30k after \$90k management change from the parent entity, compared to the loss of \$54k (without a management charge) for the year ending 30 June 2011.

This investment has not been impaired in the current or prior financial year.

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Preliminary Financial Report

IGC Asia Pte Ltd

IGC Asia has been working with BKM to revise the operating model for the current economic climate. IGC has reduced its risk exposure in its trading platform whilst maintaining margins in its trade. This has resulted in reduced turnover as only the value of margins are recognised rather than the value of trades. IGC's six months performance till June 2012 has provided the Company with some confidence on its ability to achieve its profit target for calendar year end 2012. BKM has impaired the investment by \$630k in the 2011-12 financial-year resulting in a carry value of \$418k.

Outlook

The global economic environment continues to be a challenge for reliable forecast with significant risk events in the current market. The management of both Scene and IGC continue to focus on improving results by maintaining vigilance on costs and sustainable revenue growth.

The Company also continues to pursue its business objectives through both direct operations and strategic investments. The Company is also assessing a number of other new projects which may have a positive effect on the Net Assets of the Company.

3. NTA backing

Net Tangible Asset per Security (cents per security)

As at 30 June 2012 (0.02)

As at 30 June 2011 (0.08)

4. Control gained over entities

Name of entities (or group of entities) Not applicable

Date control gained Not applicable

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material) \$-

Profit/(loss) from ordinary activities after tax of the controlled entity (or group entities) for the whole of the previous corresponding period (where material) \$-

5. Loss of control over entities

Name of entities (or group of entities) Not applicable

Date control lost Not applicable

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material) \$-

Profit/(loss) from ordinary activities after tax of the controlled entity (or group entities) for the whole of the previous corresponding period (where material) \$-

6. Dividends

Current period

There were no dividends paid or declared during the Current financial period.

Previous corresponding period

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Preliminary Financial Report

There were no dividends paid or declared during the previous financial period.

7. Dividend reinvestment plans

There are no dividend reinvestment plans in operation.

8. Details of associates and joint venture entities

Not applicable

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

No applicable.

10. Audit qualification or review

Details of audit dispute or qualification (if any):

The accounts are currently in the process of being audited.

The audit of the consolidated entity is currently in progress and there are unresolved matters which may require some form of modification to auditor's report. In particular, these matters include valuation of the investment in IGC Asia Pte Ltd which has a net carrying value of \$418k.

It is not possible at this time to quantify the impact, if any, of any adjustments to this preliminary financial report or to determine whether any form of modification to the auditor's report will eventuate from these unresolved matters.

11. Attachments

Details of attachments (if any):

The Unaudited Preliminary Financial Report of BKM Management Limited for the year ended 30 June 2012 is attached.

12. Signed

Signed: _____

Date: 31 August 2012

Alvin Tan
Director

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Director's Report

BKM Management Limited

ABN: 61 009 146 543

Preliminary Financial Report

for the year ended

30 June 2012

(and previous corresponding period: year ended 30 June
2011)

In compliance with Listing Rule 4.3A

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Financial Statements

BKM MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
30 JUNE 2012

	Note	30-June-2012	30-June-2011
		\$	\$
Total Revenue	2	2,057,096	1,660,085
Corporate administration Expenses		(258,277)	(285,802)
Employment and Consulting Fees		(271,307)	(464,761)
Finance Costs		(80,571)	(128,218)
Impairment Expenses		(630,711)	(788,904)
Loss on Sale of Assets		(231)	(5,313)
Model and Talent Costs		(1,437,008)	(1,192,380)
Occupancy Costs		(70,645)	(82,564)
Profit/(loss) before tax	3	(691,654)	(1,287,857)
Income tax expense		-	-
Profit/(loss) for the year		(691,654)	(1,287,857)
Other comprehensive income / (expense) for the year, net of tax		-	-
Total comprehensive income / (expense) for the year		(691,654)	(1,287,857)
Profit/(loss) attributable to:			
Owners of the parent		(696,049)	(1,279,766)
Non-controlling interests		4,395	(8,091)
		(691,654)	(1,287,857)
Other comprehensive profit/(loss) attributable to:			
Owners of the parent		-	-
Non-controlling interests		-	-
		-	-
Total comprehensive income /(expense) attributable to:			
Owners of the parent		(696,049)	(1,279,766)
Non-controlling interests		4,395	(8,091)
		(691,654)	(1,287,857)
Basic earnings per share (cents per share)	8	(0.09)	(0.21)
Diluted earnings per share (cents per share)	8	(0.09)	(0.21)

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

BKM MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION

30 JUNE 2012

	Note	30-June-2012	30-June-2011
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	4	306,319	367,811
Trade and other receivables		206,003	217,636
Other		2,236	10,547
Total current assets		514,558	595,994
Non-current assets			
Other financial assets		417,756	1,048,467
Property, plant and equipment		4,666	3,259
Intangibles		49,878	49,878
Total non-current assets		472,300	1,101,604
Total assets		986,858	1,697,598
Liabilities			
Current liabilities			
Trade and other payables		655,503	795,012
Borrowings		416,970	1,060,970
Employee Benefits		20,911	18,555
Total current liabilities		1,093,384	1,874,537
Non-current liabilities			
Borrowings		-	273,000
Employee Benefits		34,483	30,800
Total non-current liabilities		34,483	303,800
Total Liabilities		1,127,867	2,178,337
Net Assets/(Liabilities)		(141,009)	(480,739)
Equity and Liabilities			
Equity attributable to owners of the parent			
Issued capital	5	26,145,332	25,113,948
Retained profits		(26,281,347)	(25,585,298)
Parent entity interest		(136,015)	(471,350)
Minority equity interest		(4,994)	(9,389)
Total equity		(141,009)	(480,739)

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Financial Statements

BKM MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
30 JUNE 2012

Economic Entity	Share capital	Other components of equity	Retained Earnings	Total	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
Balance as at 30 June 2010	24,743,400	-	(24,305,532)	437,868	(1,298)	436,570
Loss for the Period			(1,279,766)		(8,091)	(1,287,857)
Total comprehensive income for the period	-	-	(1,279,766)	-	1,279,766	(8,091)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued net of costs	370,548	-	-	370,548	-	370,548
Balance at 30 June 2011	25,113,948	-	(25,585,298)	(471,350)	(9,389)	(480,739)
Loss for the Period			(696,049)		4,395	(691,654)
Total comprehensive expense for the period	-	-	(696,049)	-	696,049	4,395
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued net of costs	1,031,384	-	-	1,031,384	-	1,031,384
Balance at 30 June 2012	26,145,332	-	(26,281,347)	(136,015)	(4,994)	(141,009)

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

BKM MANAGEMENT LIMITED
STATEMENT OF CHASH FLOWS

30 JUNE 2012

	Note	30-June-2012	30-June-2011
		\$	\$
<i>Cash flows from operating activities</i>			
Receipts from customers		2,011,624	1,836,956
Payments to suppliers and employees		(2,070,288)	(2,040,324)
Interest received		4,894	6,949
Net cash flows (used in)/from operating activities	7	(53,770)	(196,419)
<i>Cash flows related to investing activities</i>			
Payment for purchases of plant and equipment		(2,727)	(2,500)
Proceeds from sales of equity investments		-	35,154
Net cash flows used in investing activities		(2,727)	32,654
<i>Cash flows related to financing activities</i>			
Proceeds from issues of securities		-	400,000
Capital raising costs		(4,995)	(29,452)
Proceeds from borrowings		-	14,752
Net cash flows from financing activities		(4,995)	385,300
Net increase/(decrease) in cash and cash equivalents		(61,492)	221,535
Cash and cash equivalents at the beginning of the year		367,811	146,276
Cash and cash equivalents at the end of the year		306,319	367,811

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

Note 1: Basis of Preparation

This general purpose financial report for the year ended 30 June 2012 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The Company's preliminary financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Australian equivalents to International Financial Reporting Standards ("A-IFRS").

The Company's preliminary financial report does not include all the notes of the type normally include in an annual financial report. The preliminary financial report has been prepared in accordance with the recognition and measurement requirements, but not all disclosure requirements of Australian Accounting Standards and Interpretations and the *Corporations Act 2001*. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards.

Accounting Policies

Significant accounting policies adopted in preparation of the preliminary financial report are consistent with those adopted by the Company in preparation of the 30 June 2011 financial report and the 31 December 2011 half year financial report. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosure.

The preliminary financial report is presented in Australian dollars.

Going Concern

As at 30 June 2012, the consolidated entity incurred an operating loss of \$691,654 (2011:\$1,287,857) and net liabilities were \$141,009 (2011: net liabilities \$480,739). The consolidated entity's cash position has decreased to \$306,319 from \$367,811 at June 2011.

The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation:

- The directors expect to successfully issue shares or convertible securities;
- The majority of the current borrowings of \$416,970 are unsecured convertible securities. The directors have agreement from the majority of convertible security holders which expire in the current financial year to convert to equity at \$0.006 per share;
- Additional equity is expected to be issued upon the commitment to any additional expansion or growth plans.
- The trade and other payables balance as at 30 Jun 2012 contains accrued directors fees of \$25,060 (June 2011:\$161,627) and related party payables for director controlled entities of \$164,600 (June 2011: \$84,700). An undertaking has been provided to the consolidated entity by the directors that repayments of these amounts, and future director fees, will only be demanded in the event that the consolidated entity has sufficient cash flows available;

As a consequence of the above, the directors believe that the consolidated entity will be able to continue as a going concern and, therefore these financial statements have been prepared on a going concern basis. Accordingly, the financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets, or to the amounts of classification or liabilities that might be necessary should the consolidate entity not be able to continue as a going concern.

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

Note 2: Revenue

	30-June-2012	30-June-2011
	\$	\$
Operating activities		
Agency Fee	2,046,130	1,637,864
Total operating revenue	2,046,130	1,637,864
Non-operating activities		
Interest Received	4,894	6,949
Other Revenue	6,072	15,272
Other non-operating activities	10,966	22,221
Total revenue	2,057,096	1,660,085

Note 3: Profit/(Loss) for the year

	Note	30-June-2012	30-June-2011
		\$	\$
<i>Depreciation</i>			
Plant and Equipment		1,321	509
<i>Finance costs</i>			
Convertible securities		80,571	128,218
<i>Rental expense relating to operating leases</i>			
Minimum lease payments		62,023	70,653
<i>Superannuation expense</i>			
Defined contribution superannuation expense		27,684	27,909
<i>Employee benefits expense</i>			
Employee benefits expense		243,623	436,851

Note 4: Cash and Cash Equivalents

	30-June-2012	30-June-2011
	\$	\$
Cash on Hand	16	320
Cash at Bank	306,303	367,491
	306,319	367,811

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Financial Statements

Note 5: Equity - Contributed

	Note	30-June-2012		30-June-2011	
		\$		\$	
Ordinary Shares	5a	26,144,568		25,113,184	
Options over shares	5b	764		764	
		26,145,332		25,113,948	

5a Ordinary Shares	Note	30-June-2012		30-June-2011	
		No.	\$	No.	\$
a) Ordinary Shares					
At the beginning of the reporting period		640,657,733	25,113,184	583,514,875	24,742,636
Consolidation of capital		-	-	-	-
Shares issued during year	(i)	172,729,816	1,036,379	57,142,858	400,000
Transaction costs relating to share issues		-	(4,995)	-	(29,452)
At reporting date		813,387,549	26,144,568	640,657,733	25,113,184

(i) 2012	Details	Number	Issue price \$	\$
30-Nov-11	Issue of Shares- as per Annual General Meeting on 25 November 2011	172,729,816	0.006	1,036,379
		172,729,816		1,036,379
(i) 2011	Details	Number	Issue price \$	\$
21-Dec-10	Issue of Shares- Working Capital as per Company Announcement dated 13 December 2010	57,142,858	0.007	400,000
		57,142,858		400,000

5b Options over Shares	Note	30-June-2012		30-June-2011	
		No.	\$	No.	\$
b) Options					
At the beginning of the reporting period		-	764	-	764
At reporting date		-	764	-	764

BKM MANAGEMENT LIMITED**ABN: 61 009 146 543****Financial Statements***Ordinary Shares*

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

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

Capital risk management

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

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

By regularly reviewing undiscounted cash flows forecasts and actual cash flows provided to the Board of directors by management, the Board is able to monitor the consolidated entity's capital needs.

The capital risk management policy remains unchanged from 30 June 2012 Annual Report.

Note 6. Events subsequent to Balance Date

No matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 7. Reconciliation of loss after income tax to net cash used in operating activities

	30-June-2012	30-June-2011
	\$	\$
b) Reconciliation of cash flow from operations with loss after income tax		
Loss for the period	(691,654)	(1,287,857)
Add back depreciation expense	1,321	509
Add back impairment of asset	630,711	788,904
Add back profit or loss on sale of asset	-	5,313
Add back interest on borrowings	80,571	128,218
(Increases)/Decreases in Accounts Receivable	11,633	20,034
(Increases)/Decreases in Other Current Assets	8,311	(6,045)
Increases/(Decreases) in Accounts Payable	(100,702)	144,605
Increases/(Decreases) in Other Current Liabilities	6,039	9,900
<u>Result (cash basis)</u>	<u>(53,770)</u>	<u>(196,419)</u>
Cash flow from operations	(53,770)	(196,419)

BKM MANAGEMENT LIMITED**ABN: 61 009 146 543****Financial Statements****Note 8. Earnings per share**

	30-June-2012	30-June-2011
	\$	\$
a) Reconciliation of earnings to profit/loss		
Net loss attributable to ordinary equity holders of the parent	(691,654)	(1,287,857)
Add back loss attributable to non-controlling interests	(4,395)	8,091
Earnings used to calculate basic EPS	(696,049)	(1,279,766)
	No.	No.
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	741,456,228	613,573,584
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	741,456,228	613,573,584
* - Includes instruments with dilutive impact on EPS only		
	Cents	Cents
c) Basic earnings/loss per share	(0.09)	(0.21)
d) Diluted earnings/loss per share	(0.09)	(0.21)