

REELTIME MEDIA LIMITED

(Subject to Deed of Company Arrangement)

(ABN: 67 085 462 362)

Half-Year Financial Report

Six Months Ended 31 December 2009

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362
DIRECTORS REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Your directors present their report on the Company for the half year ended 31 December 2009.

Directors

The names of directors in office at any time during or since the end of the half year are:

Name	Date appointed	Date ceased
Brian Keith McAlister	1 September 2008	12 April 2010
Jack Robert James	1 September 2008	12 April 2010
Gabriel Ehrenfeld	9 April 2010	5 December 2014
Richard Ochojski	9 April 2010	17 April 2015
Jason Donald Rooke	9 April 2010	6 November 2014
James Mawhinney	1 August 2014	20 July 2015
Keith Donald Attwood	5 December 2014	20 July 2015
Michael Hui	20 July 2015	
John Knights	20 July 2015	
Georgina Varley	20 July 2015	

Review of Operations

The loss of the economic entity after providing for income tax and eliminating outside equity interests amounted to \$518,822 (December 2008 loss (\$20,000)).

On 15 September 2009 a meeting of shareholders approved all the resolutions that were a condition of the DOCA creating the RMA Acquisition Trust. This involved a share consolidation of 66:1. (i.e 1 share for every 66 shares held).

380 million shares were issued to Steinbruck Capital Pty Ltd and 36,500,000 to the RMA Acquisition Trust as well as 5,000,000 to the Reeltime Creditors Trust. 40,000,000 options exercisable at 0.02 cents by 31 December 2012 were also issued to Steinbruck Capital Pty Ltd. Steinbruck Capital and the RMA Acquisition trust are related parties to Mr Gabriel Ehrenfeld a director of Reeltime Media during this period.

5,000,000 shares were issued for intellectual property. This intellectual property was given no value.

5,000,000 shares were issued to the RMA Creditors trust in return for their debts under the Deed of Company Arrangement.

Auditor's declaration

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 has been received and can be found on page 3 of the Directors' report.

Signed for and on behalf of, the Board in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.



Michael Hui
Non-Executive Chairman

20 October 2015

Partners:

Richard L S Hill
BCom FCA FCPA (PNG)

David G Sharp
BCom FCA

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF REELTIME MEDIA LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2009 there have been no contraventions of:

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



John Skinner

Date: 20 October 2015

Address: Level 2, 32 Martin Place Sydney 2000

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

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ReelTime Media Limited (Subject to Deed of Company Arrangement) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

ReelTime Media Limited (Subject to Deed of Company Arrangement)
Level 11
153 Walker St
North Sydney NSW 2060

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities on page 2 and in the directors' report on page 2.

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Half year 31 December 2009	Half year 31 December 2008
Revenue	-	-
Expenses		
Share based Payments – Restructure costs	(486,150)	
ASX & Share Registry fees	(20,000)	(20,000)
Executive Share Option costs	(1,000)	
Impairment of assets	(5,836)	
Cost of discontinued operations	(5,836)	
Total Expenses	(518,822)	(20,000)
Loss before income tax	(518,822)	(20,000)
Income tax expense	-	-
Loss for the half year	(518,822)	(20,000)
Other comprehensive income for the period	-	-
Loss attributable to members of Reeltime Media Ltd	(518,822)	(20,000)
Basic earnings per share	(0.1197)	(0.004)
Diluted earnings per share	(0.1197)	(0.004)

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**ABN 67 085 462 362****STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	31 December 2009	30 June 2009
ASSETS		
CURRENT ASSETS		
Cash and Cash equivalents	161	161
TOTAL CURRENT ASSETS	161	161
NON-CURRENT ASSETS		
Other Intangible assets	-	-
TOTAL NON-CURRENT ASSETS	-	-
TOTAL ASSETS	161	161
LIABILITIES		
CURRENT LIABILITIES		
Trade and Other payables	-	-
Borrowings	-	-
TOTAL CURRENT LIABILITIES	-	-
NON-CURRENT LIABILITIES		
Borrowings - Convertible notes	45,000	25,000
TOTAL NON-CURRENT LIABILITIES	45,000	25,000
TOTAL LIABILITIES	45,000	25,000
NET ASSETS	(44,838)	(24,838)
EQUITY		
Contributed equity	24,724,370	24,226,548
Reserves - Share Option	636,785	635,785
Accumulated profits / (Losses)	(25,405,993)	(24,887,171)
TOTAL EQUITY	(44,838)	(24,838)

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ABN 67 085 462 362

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Share Capital Ordinary	Retained Profits / (Losses)	Reserves Share Option	Convertible Note	Total
Balance as at 1 July 2008	24,226,548	(25,275,594)	635,785	-	(413,261)
Loss for the period		(20,000)			(20,000)
Balance as at 31 December 2008	24,226,548	(25,295,594)	635,785	-	(433,261)
Balance as at 1 July 2009	24,226,548	(24,887,171)	635,785	-	(24,838)
Equity issued during the period	497,822		1,000		498.822
Loss for the period		(518,822)			(518,822)
Balance as at 31 December 2009	24,724,370	(25,405,993)	636,785	-	(44,838)

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**ABN 67 085 462 362****CASH FLOW STATEMENT****FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Half year 31 December 2009	Half year 31 December 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inc of GST)	-	-
Payments to Suppliers and employees (inc GST)	(517,822)	(20,000)
Interest received	-	-
Net cash (outflow) from operating activities	(517,822)	(20,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	-	-
Purchase of other assets		
Loans to other entities	20,000	20,000
Net cash (outflow) from investing activities	20,000	20,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	497,822	-
Payment of share issue costs	-	-
Payment to Creditors trust	-	-
Repayment of finance lease	-	-
Net cash inflow from financing activities	497,822	-
Net (decrease)/increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the half-year	161	161
Cash and Cash equivalents at the end of the half-year	161	161

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**ABN 67 085 462 362****NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation**

This general purpose financial report for the half-year reporting period ended 31 December 2009 has been prepared in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2009 and any public announcements made by Reeltime Media Limited (Subject to Deed of Company Arrangement) during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2009 Annual Report.

The Company has adopted all of the new and revised standards and interpretations issued by the Australian accounting standards board that are relevant to its operations and effective for the current period. This adoption has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported in the current and prior periods.

(a) Going Concern

The half-year financial report has been prepared on the going concern basis, as the group contemplates continuing normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

Since the December 2009 half year period the Company has operated under Deeds of Company Arrangement (DOCA) and is currently operating under such a Deed. However, the board of directors feel that the new DOCA is sufficiently financed to enable the Company to continue to operate to find new investments that will lead to the recapitalisation of the Company and the removal of the suspension of trading of the Company's shares on the Australian Securities Exchange (ASX).

2. ISSUED CAPITAL

31 December 2009 31 December 2008

(a) Issued and Paid up Capital

Fully paid ordinary shares	433,366,392	453,181,839
Paid up Capital	\$24,724,370	\$24,226,548

(b) Movements in issued and Paid up Capital during the half year

	Number of Shares	Issue Price (Cents)	Amount (\$)
Total 30 June 2009	453,181,839		24,226,548
Consolidation of shares 66 to 1	(446,315,446)		-
Shares issued to RMA Acquisition Trust	36,500,000	0.1167	42,604
Shares issued as per General Meeting notice	380,000,000	0.1167	443,546
RMA Creditors trust	5,000,000	0.1167	5,836
Shares for Intellectual Property	5,000,000	0.1167	5,836
Closing balance as at 31 December 2009	433,366,392		24,724,370

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**ABN 67 085 462 362****NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009****2. ISSUED CAPITAL (cont'd)****(c) Options**

During the half year options were issued. The options outstanding at 31 December 2009 are listed below

The Company issued 40,000,000 Options during the December 2009 half year. The options outstanding at 30 June 2009 were consolidated 66 to 1 as per the resolution of shareholders on 25 September 2009. The options on issue at 31 December 2009 are listed below:

	Expiry date /Duration	Number	In Escrow	Exercise Price \$	Total Cost \$	Expensed amount until 31 Dec 2009
Unlisted Options Granted on 28 September 2007	28/09/2010	90,909	None	0.03	5,700	5,700
Unlisted Options Granted on 28 September 2007	28/09/2010	45,454	None	0.07	1,300	1,300
Unlisted Options Granted on 28 September 2007	28/09/2010	45,454	None	0.10	1,100	1,100
Unlisted Options Granted on 28 September 2009	31/12/2012	40,000,000	None	0.02	1,000	1,000

3. SEGMENT REPORTING

The entity operated in one geographical segment during the year, being in Australia, and one business segment being the provision of Internet Protocol Television (IPTV) content operator, offering traditional media product {television programs and movies} via broadband.

4. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No contingent liabilities or contingent assets existed at the reporting date.

5. DIVIDENDS

No dividends have been paid or provided for during the half-year ended 31 December 2009.

6. EVENTS OCCURRING AFTER BALANCE DATE

In the 2010, 2011 and 2012 year the board worked towards the Company recapitalisation including trying to make the IPTV business successful. At this time no capital was raised so no funds were expended on the IPTV business venture.

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ABN 67 085 462 362

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

6. EVENTS OCCURRING AFTER BALANCE DATE (cont'd)

In the 2013 financial year, Gabriel Ehrenfeld, a director of the Company, exercised 40,000,000 options in return for \$800,000 in outstanding Directors fees. The Company also began acquisitions of internet and computer based businesses. These acquisitions had an emphasis on digital media design businesses that used the internet to help businesses win new and keep existing customers via internet marketing.

The Company set up a wholly owned subsidiary, Tohill Pty Ltd, that purchased 100% of Hillier Pty Ltd from Mr James Mawhinney. Hillier Pty Ltd owned the Position me Online business. Mr Mawhinney subsequently became the CEO of the Company. The shares for the Hillier acquisition were not issued until the 2014 financial year. Level 91 Pty Ltd was also acquired and the deal completed in the 2013 financial year.

In the 2014 financial year, the Company continued to announce acquisitions and completed some further acquisitions. In April 2014, the CEO of the Company, Mr James Mawhinney, was removed as CEO. After this time, rent was not paid on the operating business address and the Company was locked out of its premises. The landlord subsequently discarded many of the Group's records. It also appears registration and subscriptions for internet based accounting software packages were not paid and so many accounting records were also lost.

In May 2014, Reeltime acquired the Design Experts business. This is the sole business of Reeltime that is still operating at the date of this financial report.

On 1 August 2014, Mr James Mawhinney was reappointed as CEO and was also appointed as a Director of the Company. Work towards acquisition of more businesses and a capital raising to remove the Company's suspension of trading on the ASX continued.

Mr Gabriel Ehrenfeld resigned as a director on 5 December 2014. Mr Keith Attwood was appointed a director on 5 December 2014.

On 15 April 2015, the Australian Securities and Investments Commission ("ASIC") applied to the Supreme Court of New South Wales to wind up:

- (a) the Company;
- (b) DE Digital Pty Ltd;
- (c) DE Personnel Pty Ltd;
- (d) Ocean Feather Pty Ltd;
- (e) Paricia Pty Ltd; and
- (f) Zaramamma Pty Ltd,

on just and equitable grounds.

On 21 April 2015, the following entities were placed into Voluntary Administration pursuant to a resolution of the directors and/or directors of the relevant companies:

- (a) the Company;
- (b) DE Digital Pty Ltd;
- (c) DE Personnel Pty Ltd;
- (d) Ocean Feather Pty Ltd;
- (e) Paricia Pty Ltd;
- (f) Zaramamma Pty Ltd; and
- (g) Digital Facilities Management Pty Ltd.

On 4 May 2015, the Court ordered that ASIC's application be adjourned until 27 July 2015 for the purposes of a further directions hearing.

On 30 June 2015, the creditors of the Company and DE Digital Pty Ltd resolved that those companies execute a deed of company arrangement. The creditors of the remaining entities resolved to place those entities not subject to the deed of company arrangement into liquidation.

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ABN 67 085 462 362

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

6. EVENTS OCCURRING AFTER BALANCE DATE (cont'd)

The current Directors were appointed on 20 July 2015 and have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the year ended 30 June 2015, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

As at 30 June 2015, the status of the Group's entities are as follows:

- (a) Reeltime Media Limited (Subject to Deed of Company Arrangement);
- (b) DE Digital Pty Ltd (Subject to Deed of Company Arrangement);
- (c) DE Personnel Pty Ltd (In Liquidation);
- (d) Ocean Feather Pty Ltd (In Liquidation);
- (e) Paricia Pty Ltd (In Liquidation);
- (f) Zaramamma Pty Ltd (In Liquidation); and
- (g) Digital Facilities Management Pty Ltd (In Liquidation).

The Group's operations have been adversely affected by the placing of its entities into external administration. The Group's sole operations are now the ownership and operating of the "Design Experts" business (a digital media marketing business) by its subsidiary, DE Digital Pty Ltd.

On 20 July 2015, a deed of company arrangement was entered into between the Administrators, the Company, DE Digital Pty Ltd and Arowana Partners Group Pty Ltd ("Arowana") ("the DoCA").

The DoCA provides for the following:

- (a) the Administrators to be appointed as deed administrators of the DoCA;
- (b) the payment of \$625,000 by Arowana into a deed fund to be made available to all creditors of the Company and DE Digital Pty Ltd;
- (c) the establishment of a creditors trust (with the Administrators appointed as trustees of the trust) to receive and distribute the deed fund to the creditors of the Company and DE Digital Pty Ltd;
- (d) at a meeting of the shareholders of the Company to be held within 3 months from the date of execution of the DoCA (or such other date within 45 business days of such date as agreed by the parties), the shareholders must approve the necessary resolutions to give effect to:
 - (i) a consolidation of shares on issue on a 1:17 basis;
 - (ii) the issue of 300 million ordinary shares to raise \$1.5 million as follows:
 - (A) 100 million shares at \$0.001 per share;
 - (B) 100 million shares at \$0.005 per share;
 - (C) 50 million shares at \$0.008 per share; and
 - (D) 50 million shares at \$0.010 per share;
 - (iii) the issue of 50 million options at \$0.010 per option to raise \$500,000.

As part of the DoCA process, the Company is undertaking those steps necessary to apply for the resumption of trading in its securities on the official list prior to 1 January 2016.

On 27 July 2015, ASIC's application against the Company and DE Digital Pty Ltd was adjourned to 26 October 2015. The proceedings against the remaining Group entities were discontinued as they entered liquidation on 30 June 2015.

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ABN 67 085 462 362

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

The Directors of the Company declare that:

We have been unable to satisfy ourselves as to the completeness and accuracy of all the transactions recorded in the Company's accounting records that occurred prior to our appointment as Directors on 20 July 2015.

The Company entered into a Deed of Company Arrangement on 20 July 2015 and has continued to carry on its core business activities since that date with complete and accurate accounting records. The current Directors have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the half year ended 31 December 2009, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

In the opinion of the current Directors of the Company, except for the effects of such adjustments, if any, that might have been determined to be necessary had we been able to verify all of the transactions which took place during the reporting period and prior to the date of our appointment:

1. the financial statements and notes as set out on pages 4 to 12:
 - a. Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. Give a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half year ended on that date.
2. In the directors opinion, as indicated in Note 1(a), subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Michael Hui

Non-Executive Chairman

20 October 2015

REELTIME MEDIA LIMITED ABN 67 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

Report on the Half-Year Financial Report

I have reviewed the accompanying half-year financial report of Reeltime Media Limited which comprises the condensed statement of financial position as at 31 December 2009, condensed statement of profit or loss, condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the entity comprising the company at the half-year's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-yearly financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the half-year financial report based on conducting the review in accordance with Australian Auditing Standards.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate review evidence to provide a basis for a review opinion.

Independence

In conducting my review, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Reeltime Media Limited would be in the same terms if provided to the directors as at the time of this auditor's review report.

Basis for Disclaimer of Auditor's Review Opinion

1. The Company together with 5 subsidiary companies which were acquired/set up in the later years, were placed in administration on 21 April 2015. A further 4 subsidiary companies were placed in liquidation on 31 December 2014. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, I was unable to satisfy myself as to the completeness of the general ledger and financial records as well as the relevant disclosures in the half yearly financial report.
2. As stated in the Director's Report, the Company was locked out of its premises by the landlord which has caused loss of records.

Basis for Disclaimer of Auditor's Review Opinion (continued)

3. The comparative figures relating to half year end 31 December 2009 are subject to an Audit qualification relating to comparative figures.

As a result of the above factors, the current Directors are unable to state that the half-yearly financial report is in accordance with all the requirements of the *Corporations Act 2001* and the Australian Accounting Standards.

Disclaimer of Auditor's Review Opinion

In my opinion:

Because of the existence of the limitation on the scope of my work, as described in the Basis for Disclaimer of Auditor's Review Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, I am unable to, and do not express, an opinion as to whether the half- yearly financial report of Reeltime Media Limited is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Company's financial position as at 31 December 2009 and of their performance for the half-year ended on that date;
- ii) Complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'John Skinner', with a small flourish at the end.

John Skinner

Address: Level 2, 32 Martin Place Sydney 2000

Dated this 20 day of October 2015