

# **REELTIME MEDIA LIMITED**

**(Subject to Deed of Company Arrangement)**

**(ABN: 67 085 462 362)**

**And Controlled entities**

**Half-Year Financial Report**

**Six Months Ended 31 December 2012**

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ABN 67 085 462 362 & CONTROLLED ENTITIES  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

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This financial report covers the consolidated entity consisting of ReelTime Media limited (subject to Deed of Company Arrangement) and its controlled entities.

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 consolidated entity's operation and its principal activities is included in the review of operations and activities on page 2 and in the directors' report on page 3.

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

Your directors present their report on the consolidated entity and the entities it controlled for the half year ended 31 December 2012.

**Directors**

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

<b>Name</b>	<b>Date appointed</b>	<b>Date ceased</b>
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 consolidated profit of the economic entity after providing for income tax and eliminating outside equity interests amounted to \$919,050 (December 2011 loss (\$170,000)).

In half year ending 31 December 2012 the director Gabriel Ehrenfeld exercised 40,000,000 options in return for \$800,000 in outstanding Directors fees. However the shares were not issued until 7 January 2013. The Company also began its acquisitions of internet and computer based businesses. These acquisitions had an emphasis on customer retention businesses that used the internet to help businesses win new and keep existing customers via internet marketing.

The Company set up a 100% owned subsidiary Tohill Pty Ltd that purchased 100% of Hillier Pty Ltd that owned the Position me Online business from Mr James Mawhinney. Mr Mawhinney stayed on with the Company and became the CEO of Reeltime Media Ltd. The shares for the Hillier acquisition were not issued until the 2014 financial year.

**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 4 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

27 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) AND  
CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the half-yearly ended 31 December 2012 there have been no contraventions of:

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



John Skinner

Date: 27 October 2015

Address: Level 2, 32 Martin Place Sydney 2000

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Notes	Consolidated Half year 31 December 2012	Parent Half year 31 December 2011
<b>Revenue</b>		<b>822,374</b>	-
Expenses			
Employee Costs		(345,287)	-
Finance Costs		(6,944)	-
ASX & Share Registry fees		(20,000)	(20,000)
Directors Fees		(150,000)	(150,000)
Office Expenses		(44,205)	-
Rent		(46,213)	-
Travel		(23,790)	
Marketing		(81,449)	
Other expenses		(127,457)	-
<b>Total Expenses</b>		<b>(845,345)</b>	<b>(170,000)</b>
<b>Loss before income tax</b>		<b>(22,971)</b>	<b>(170,000)</b>
Income tax expense		-	-
<b>Loss for the half year</b>		<b>(22,971)</b>	<b>(170,000)</b>
<b>Other comprehensive income for the period</b>			
Gain on acquisition	7	942,021	-
<b>Profit / (Loss) attributable to members of Reeltime Media Ltd</b>		<b>919,050</b>	<b>(170,000)</b>
Basic earnings per share		0.2121	(0.0392)
Diluted earnings per share		0.2121	(0.392)

The accompanying notes form part of these financial statements

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

		Consolidated 31 December 2012	Parent 30 June 2012
<b>ASSETS</b>	<b>Notes</b>		
CURRENT ASSETS			
Cash and cash equivalents		58,294	161
Trade and other receivables		266,125	
<b>TOTAL CURRENT ASSETS</b>		<b>324,419</b>	<b>161</b>
NON-CURRENT ASSETS			
Plant & Equipment		100,741	-
Trade and other receivables		20,000	-
Other Intangible assets	6	1,050,000	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,170,741</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>1,495,160</b>	<b>161</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and Other payables		291,105	-
Shares to be issued		914,844	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,205,949</b>	<b>-</b>
NON-CURRENT LIABILITIES			
Borrowings		120,000	750,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>120,000</b>	<b>750,000</b>
<b>TOTAL LIABILITIES</b>		<b>1,325,949</b>	<b>750,000</b>
<b>NET ASSETS</b>		<b>169,211</b>	<b>(749,839)</b>
<b>EQUITY</b>			
Issued capital		24,724,370	24,724,370
Reserves - Share Option		636,785	636,785
Accumulated profits / (Losses)		(25,191,944)	(26,110,992)
<b>TOTAL EQUITY</b>		<b>169,211</b>	<b>(749,839)</b>

The accompanying notes form part of these financial statements

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ABN 67 085 462 362 AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

<b>Parent</b>	<b>Share Capital Ordinary</b>	<b>Retained Profits / (Losses)</b>	<b>Reserves Share Option</b>	<b>Convertible Note</b>	<b>Total</b>
<b>Balance as at 1 July 2011</b>	<b>24,724,370</b>	<b>(25,785,994)</b>	<b>636,785</b>	<b>-</b>	<b>(424,839)</b>
Profit/(Loss) for the period		(170,000)			(170,000)
<b>Balance as at 31 December 2011</b>	<b>24,724,370</b>	<b>(25,955,994)</b>	<b>636,785</b>	<b>-</b>	<b>(594,839)</b>
<b>Consolidated</b>					
<b>Balance as at 1 July 2012</b>	<b>24,724,370</b>	<b>(26,110,994)</b>	<b>636,785</b>	<b>-</b>	<b>(749,839)</b>
Profit/(Loss) for the period		919,050			919,050
<b>Balance as at 31 December 2012</b>	<b>24,724,370</b>	<b>(25,191,944)</b>	<b>636,785</b>	<b>-</b>	<b>169,211</b>

The accompanying notes form part of these financial statements

**REELTIME MEDIA LIMITED(SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Consolidated Half year 31 December 2012	Parent Half year 31 December 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers (inc of GST)	638,486	-
Payments to Suppliers and employees (inc GST)	(580,354)	(170,000)
Interest received	-	-
<b>Net cash (used in)/provided by operating activities</b>	<b>58,133</b>	<b>(170,000)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment	-	-
Purchase of other assets	-	-
Loans to other entities	-	170,000
<b>Net cash (used in)/provided by investing activities</b>	<b>-</b>	<b>170,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares	-	-
Payment of share issue costs	-	-
Payment to Creditors trust	-	-
Repayment of finance lease	-	-
<b>Net cash (used in)/provided by financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>58,133</b>	<b>-</b>
Cash and cash equivalents at the beginning of the half-year	161	161
<b>Cash and Cash equivalents at the end of the half-year</b>	<b>58,294</b>	<b>161</b>

The accompanying notes form part of these financial statements



**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

This general purpose financial report for the half-year reporting period ended 31 December 2012 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 2012 and any public announcements made by Reeltime Media Limited 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 2012 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 2012 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 2012	31 December 2011
<b>(a) Issued and Paid up Capital</b>		
Fully paid ordinary shares	433,366,392	433,366,392
Paid up Capital	\$24,724,370	\$24,724,370

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

There were no movements in Issued and Paid up Capital in the half to 31 December 2012.

	Number of Shares	Amount (\$)
Total 30 June 2012	433,366,392	24,724,370
<b>Closing balance as at 31 December 2012</b>	<b>433,366,392</b>	<b>24,724,370</b>

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

**2. ISSUED CAPITAL (cont'd)**

**(c) Options**

During the half year no options were issued in the half to 31 December 2012. 40,000,000 Options at 2 cents were exercised on 31 December 2012 but the shares were not issued until 3 January 2013. No options were outstanding at 31 December 2012.

**3. SEGMENT REPORTING**

The Consolidated entity operated in one geographical segment during the year, being in Australia, and one business segment being that of an internet and computer based businesses. These acquisitions had an emphasis on customer retention businesses that used the internet to help businesses win new and keep existing customers via internet marketing.

**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 2012.

**6. OTHER INTANGIBLE ASSETS**

The Other intangible assets were purchased as part of the transaction buying the shares of Hillier Pty Ltd which operates the Position Me Online business.

<b>Description</b>	<b>Directors valuation at time of acquisition</b>
Customer List	500,000
Existing Web hosting contracts	300,000
Website Domain names	200,000
Zoho CRM System and names	50,000
<b>Total Value</b>	<b>\$1,050,000</b>

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

**7. BUSINESS COMBINATIONS**

The acquisition of Hillier Pty Ltd is deemed to have occurred when the Company took control of the assets on 2 November 2012. It is at this time the fair value is calculated and processed in the accounts. The shares issued as consideration were not issued until the 2014 financial year. The value of the shares to be issued is included in the Current liabilities balance as part of the "Shares to be issued" balance.

Acquisition of Hillier Pty Ltd (Position me online)		
Purchase Consideration -	Shares to be issued	33,333,333
	Fair Value	\$114,844
Less Assets acquired:		
Computer equipment (replacement value)		\$40,000
Furniture (replacement value)		\$50,000
Domain names & websites		\$250,000
Web hosting contracts		\$300,000
Customer list		\$500,000
Reduced by liabilities acquired		<u>(\$83,135)</u>
Identifiable assets acquired and liabilities assumed		<u>\$1,056,865</u>
Gain on acquisition		<u>\$942,021</u>

**8. EVENTS OCCURRING AFTER BALANCE DATE**

Level 91 Pty Ltd was also in the 2013 financial year. This deal was completed and shares issued for the acquisition 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.

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

**8. EVENTS OCCURRING AFTER BALANCE DATE (cont'd)**

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.

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;

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**ABN 67 085 462 362 AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

**8. EVENTS OCCURRING AFTER BALANCE DATE (cont'd)**

- (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 AND CONTROLLED ENTITIES  
DIRECTORS' DECLARATION  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

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 2012, 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 3 to 13:
  - 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 2012 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  
27 October 2015

**REELTIME MEDIA LIMITED ABN 67 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND CONTROLLED ENTITIES  
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 consolidated statement of financial position as at 31 December 2012, condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated 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 consolidated entity comprising the company and the entities it controlled 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 2012 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 2012 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 large loop at the end.

John Skinner

Address: Level 2, 32 Martin Place Sydney 2000

Dated this 27 day of October 2015