tv2u

International Limited

TV2U INTERNATIONAL LIMITED

ABN 73 110 184 355

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

TV2U INTERNATIONAL LIMITED
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Board of Directors

Phil McKeiver	Non-Executive Chairman
Nick Fitzgerald	Chief Executive Officer
David Adams	Executive Director
Alan Boyd	Non-Executive Director

Secretary

Sophie Raven	Company Secretary

Registered Office
91 High Street
Fremantle WA 6155
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F: +61 (08) 9430 6222
Website: www.TV2U.com

Securities Exchange
Australian Securities Exchange Limited (ASX)
Home Exchange – Perth
ASX codes – TV2 (ordinary shares)

Australian Company Number
ACN 110 184 355

Australian Business Number
ABN 73 110 184 355

Bankers
National Australia Bank
Level 14, 100 St Georges Terrace
Perth WA 6000
Website: www.nab.com.au

Auditors
PA Audit Pty Ltd
91 High Street
Fremantle WA 6160

Share Registry
Automic Registry Services
Level 2 267 St Georges Terrace
Perth WA 6000

Solicitors
Gilbert + Tobin
Level 16, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000

Domicile and Country of Incorporation
Australia

The Directors submit their report on TV2U International Limited ("the Company" or "TV2U") and its controlled entities (together the "Group") for the financial year ended 30 June 2018.

1. INFORMATION ON DIRECTORS

The names and details of the Company's Directors in office at the completion of the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Mr Nick Fitzgerald
Executive Director, Chief Executive Officer

Mr Fitzgerald has an exceptional pedigree averaging over 23 years each in Media and Entertainment with deep domain expertise and project experience with content owners, digital service providers, broadcasters and telecommunications companies. Mr Fitzgerald's experience expands over 25 years in the Broadcast and New Media Industries. A successful business leader and visionary entrepreneur, Mr Fitzgerald is responsible for setting the strategic goals and objectives of TV2U. Prior to TV2U, Mr Fitzgerald served in numerous executive level positions while involved in several successful start-up companies, including Digital Rapids, a pioneer in encoding/transcoding technology.

Mr Phil McKeiver
Chairman

Mr McKeiver was appointed as Non-Executive Chairman of the Company on 3rd April 2018.

Mr McKeiver is a former partner (now senior consultant) in the Perth office of Gilbert + Tobin, Australia's leading technology and telecommunications law firm. Mr McKeiver has served on numerous Company boards and executive committees, including in the technology and telecommunications sectors. He is an experienced chairman and Company director and is a graduate of the Australian Institute of Company Directors. Mr McKeiver has extensive experience advising listed and unlisted companies and government sector clients on corporate, commercial matters and major project development. In addition to his work in other sectors, Mr McKeiver has advised telco and technology companies for nearly 20 years, including spending over a decade working in-house with Telstra Corporation (Australia's largest telecommunications and media Company) and with Telewest Communications (Britain's first quadruple-play telco and media Company, which was rebranded as Virgin Media in 2006).

Mr David Adams
Executive Director, Chief Financial Officer

Mr Adams specialises in corporate and financial management and is a qualified accountant and chartered secretary with over 23 years' and 18 years' commercial experience respectively. Past roles including 14 years as a Company accountant have provided experience in strategic management, corporate planning, governance implementation and change management at CEO and board level. Mr Adams has in the past also taken up board positions on a number of non-listed public and private companies including the current director of TV2U Worldwide Pty Ltd, wholly owned subsidiary of TV2U International Limited. Current affiliations include member and graduate of the Governance Institute of Australia (ACIS & AGIA), BCom(Curtin), CPA Australia and the Australian Institute of Company Directors.

1. INFORMATION ON DIRECTORS (CONT)

Mr Alan Boyd
Non-Executive Director

Mr Boyd is an experienced technology, media and intellectual property investment and development specialists with a long record of success in Europe, America and Asia. Mr Boyd is seen as a pioneer of the US personal computer industry. In the 1970s, he wrote some of the earliest personal computer programs for MUSE, one of the first independent software companies. Mr Boyd served as the first Product Development Manager at Microsoft, which he joined in 1980. He was responsible for the development of many ubiquitous software products, including Microsoft Word, Excel, MS-DOS and Windows that have become household names and sold billions of copies. He was also responsible for the formulation and implementation of Microsoft's successful acquisitions strategy. On leaving Microsoft, he introduced the first hypertext browser and established hypertext as a key technology for the Internet. Mr Boyd was a Co-founder of St Banks International Group, a Shanghai-based boutique investor. In 2011, he co-founded Smart City Software to acquire technologies needed for China's massive smart city development program. He was also an Advisor with Callahan Advisory of Denver, CO. and was appointed Senior IP Consultant with Longan Law, one of China's leading IP law firms. Mr Boyd has advised the Chinese Government on technology and IP development. His knowledge and business network in China will be of importance in presenting TV2U technology to commercial opportunities within China. Using his technical capabilities and his near 40 years of commercial experience, the Company is excited that he will be assisting to drive and focus on our OTT content service distribution and platform-as-a service sales programs globally.

2. INFORMATION ON COMPANY SECRETARY

Ms Sophie Raven
Company Secretary

Ms Raven was appointed as Company Secretary of the Company on 3rd April 2018.

Ms Raven is a corporate lawyer and Company secretary, with extensive experience both in Australia with various ASX-listed companies and internationally. Ms Raven has extensive experience in Latin America, having practised as a foreign lawyer in Chile advising telco start-ups and technology companies. Ms Raven is a member of the Australian Institute of Company Directors and is a board member of Parkerville Children and Youth Care (Inc), a not-for-profit organisation.

3. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interests in shares and rights or options to acquire shares of the Company or a related body corporate as at the date of this report.

Director	Fully Paid Ordinary Shares	Listed Options	Unlisted Options	Performance shares
Mr N Fitzgerald	303,571,428	-	-	364,285,714
Mr A Brown	-	-	-	-
Mr D Adams	1,975,000	493,750	-	-
Mr A Boyd	-	-	-	-
Mr P Cunningham	-	-	-	-
Mr J Lewis	-	-	-	-
	305,546,427	**493,750**	**-**	**440,178,572**

4. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

5. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director's held office are:

Director	Number Eligible to Attend	Number Attended
Mr N Fitzgerald	7	6
Mr P Cunningham (Resigned 10/11/17)	3	1
Mr D Adams	7	7
Mr A Boyd	7	7
Mr A Brown (Resigned 10/11/17)	3	3
Mr J Lewis (Resigned 09/04/18)	5	4
Mr P McKeiver (Appointed 03/04/18)	2	2

6. PRINCIPAL ACTIVITIES

TV2U International Limited (TV2U) is a global complete entertainment platform that enables businesses, such as telecommunications companies, to quickly and easily offer streaming video and audio content to their customers ("OTT" service). The service includes movies, television programs, other content and games through an encrypted channel for enhanced copyright protection. TV2U also offers unique real-time viewership analytics to enable businesses to send highly targeted advertising to end-users to maximise their revenue streams. TV2U is changing the face of online entertainment and advertising.

7. OPERATING AND FINANCIAL REVIEW

A Operations Strategy and Developments

During the 2018 Financial Year, the Group has continued its strategy of maintaining a low cap-ex model in order to provide an advantageous op-ex model to its customers. Although op-ex models in the technology sector have been around for some time, TV2U is one of the first in the OTT space to provide what would be a very extensive and costly infrastructure to enter the market to its customers at a very low cost point. What makes TV2U so unique is their ability to integrate into any platform currently on the market seamlessly providing our unique real time analytics to existing customer infrastructure. This integration of any existing platform allows customers to provide their data over any network on any device anywhere. Add to this the provision of content, from premium HD channel to local channel providers plus video on demand, sports broadcasting and gaming, TV2U's multi-tenanted platform has an application for almost every opportunity.

The upgrade to IVAN in July 2017 as a cloud-based operator interface allowed the Company to provide a cloud-based white-labelled managed delivery service to content owners via a simple web based interface. Known as IVAN-X, the simple interface allows any operator to quickly and efficiently launch and deliver effective OTT video services. Being device and network agnostic, IVAN-X enables content to be delivered anywhere, in any format, to any device, across any network all in a cost effective way with minimal latency issues. The white labelled service allowing operators with existing content to provide a richer user experience to their customers whilst the branded service offered by the Company will provide the full array of content and streaming services necessary to promote and run a full OTT managed service for a customer and their subscribers. TV2U also has the ability to take local content, repurpose and redistribute into regions currently not able to provide mainstream television services allowing local and regional content to be viewed by subscription.

7. OPERATING AND FINANCIAL REVIEW (CONT)

A Operations Strategy and Developments (Cont)

VOD or Video or Demand services are now taking a prominent position with mobile service operators and ISP's, all eager to secure mobile video streaming services with their lucrative branding attached. TV2U has announced an opportunity with Brazil's Visiontec STB (Set Top Box) provider to make available TV2U's OTT service on their latest STB's as well as legacy boxes via update of the firmware. The strategy here to provide STB's already capable of running an OTT serve to the market in which STB's could be sold in the retail market throughout Brazil. Visiontec have over 27 years of experience in manufacturing television products and will be strategic in offering a STB option to the market and to those whom already have a service and looking to upgrade to OTT.

Whilst we have been busy setting up the business relationships in Brazil, an opportunity through Indosat Ooredoo was announced with the live streaming of Lemmon.id and Benjaminlive.com's Soundboxxx not for profit music event. This was the Company's first live event streaming via our IVAN-X cloud service and was seamlessly delivered to any device on any network anywhere in the world. This service was deemed very successful and would lead to further projects. The first project on the istream platform was the recent live streaming of the FIFA World Cup - Russia 2018. This event once again proved to be another very successful proof of concept to Indosat Ooredoo and their iStream platform. Partnering with TV2U's IVAN-X platform, the coverage of the world cup was again uninterrupted and provided a viewer experience not seen by Indosat in the past. Our technology is now embedded in Indosat's iStream platform as a white labelled product and we look forward to the next project with Zee Bioskop now signed up. TV2U have secured an initial 36 month streaming deal with Indosat through a subscription-based revenue share arrangement.

During the year, PT PGAS Telekomunikasi Nusantara (Pgascom) issued TV2U with a purchase order for hardware and installation/deployment of a head-end into their datacentre to deliver OTT services to the region of Indonesia. As announced in November 2017, the launch has been a long time coming and remains that way currently whilst content and final hardware requirements are completed. Smartfren, Pgascom's first mobile operator is one of the leading telecommunication service providers in Indonesia and a leading 4G operator with an addressable market of 12 million subscribers. Combining Pgascom's 1,300 km's of fibre optic network servicing Jakarta and Java to Sumatra, Bali and Singapore, and TV2U's platform together with network operators such as Smartfren, the Company has great exposure for its OTT services.

Also announced in November, was the successful launch of Brazil's live service through SOLGO. The Company listed both phase 1 and 2 channels that is was introducing to the service with phase 1 predominantly FTA (Free To Air) channels to around 30,000 customers on a 30 day free trial. Phase 2 offering full FTA channels and Premium local and international channels which would expand in line with expanding subscriber capacity in line with but not restricted to the minimum monthly subscriber level of 250,000 subscribers within year 1 of operations. TV2U would receive revenue on managing the service. All apps associated with SOLGO were published and subscribers could view content free of charge whilst the service soft launched.

7. OPERATING AND FINANCIAL REVIEW (CONT)

A Operations Strategy and Developments (Cont)

In early January 2018, the Company advised investors that a re-branding of the services offered in Brazil known as "SOLGO" was to be changed to "TV2U" with immediate effect. Partners CCSTV and SOL Telecom believed a unified brand in the market place would have a far greater impact and lead TV2U to become a household name. Given the Company can provide both a white labelled as well as a branded product, the process of changing service names was not an issue and had no impact on TV2U's operational costs. TV2U was also busy negotiating terms and signing MOU's with Brazilian ISP's such as Linkfort Telecom, with an addressable market of 2 million subscribers and Wirelink, a master distributor with some 1,000 ISP customer base, Both Wirelink and Linkfort are important in the roll out of services in the greater Brazil region and the Company is still looking forward to working with them.

The Group was offered, through its owner, Mr Newton Suzuki a Company named "Slim Pack". A newly commenced business which had promises of providing content to TV2U and its partners through Mr Suzuki's contacts in the content and media Industry (Band Tv2). The focus here was to be able to provide an in-house content acquisition business with TV2U and Slimpack combining strategies and strengths to become a one-stop-shop for OTT and content. Both companies agreed to sign a Letter of Intent subject to a full due diligence by both parties on the respective companies. After completion of due diligence, it was mutually agreed not to continue discussions.

During this time, one of our partners in the region, CCSTV a cable operator, transmitted services from a premium content owner over our OTT platform, which they were not licenced to do. As such, TV2U took the immediate action to shut down all services until regulatory advice could be sought and rectified allowing full transmission of services once again. This process has been long and complicated however the Company is confident that the appropriate licencing and regulatory controls are now in place to ensure full compliance with industry standards and local broadcasting authorities.

The Group also commenced negotiations with VOD content aggregator "Vonetize" which would enable TV2U, through its IVAN-X platform, to deliver the latest premium on-demand content 8 weeks after theatrical release through 4K HD quality with a back catalogue of more than 1,000 movies and approximately 180 new releases each year. Add to this a pay per view option or sell through (purchase) option all dubbed/subtitled in Portuguese for the region. Vonetize also propose to provide access for the whole LATAM region with the opportunity to expand into Asia and the CIS region.

TV2U has continued its investigation in the region into other premium content providers whom will provide the Group with equally as acceptable local, premium and VOD content.

Corporate
During the Financial Year, as part of the Group's ongoing efforts to improve the governance of the Company, a number of appointments were made to the Board. The current Board comprises of:

- Nicholas Fitzgerald – Executive Director and CEO
- David Adams – Executive Director and CFO
- Alan Boyd – Non Executive Director
- Philip McKeiver – Non Executive Chairman
- Sophie Raven – General Counsel and Company Secretary

In addition, Sophie Raven was appointed as General Counsel and Company Secretary during the financial year.

7. OPERATING AND FINANCIAL REVIEW (CONT)

A Operations Strategy and Developments (Cont)

On the 10th November 2017, the Group announced a Board restructure with the resignations of Mr Andy Brown from his position as Chief Executive Officer and Director and Mr Peter Cunningham from his position as a Director of the Company. This change facilitated the need for Mr Nick Fitzgerald to resume the role as CEO of the Company. Mr Fitzgerald remained in his role as Executive Chairman

On the 9th February 2018, 396,428,573 fully paid Ordinary shares and 517,857,143 Performance Shares were released from Escrow under ASX listing Rule 3.10A. on the 16th February the market was made aware of 89,285,715 unlisted performance shares lapsed in accordance with the terms of these securities due to the conditions not being met. 428,571,428 unvested Performance shares remain.

On the 3rd April 2018, the Group announced the appointment of experienced Company director Mr Phil McKeiver as an Independent Non-Executive Chairman of the Company. With this appointment, Mr Nick Fitzgerald stepped down from the role of Executive Chairman to focus on his role as CEO of the Company. Also during this time, the Group appointed Ms Sophie Raven as Company Secretary. Both Ms Raven and Mr McKeiver are corporate lawyers and the Board looks forward to utilising their experience and knowledge within TV2U in assisting TV2U in achieving its goals. Ms Raven replaces Mr John Lewis as Company secretary. On the 9th April 2018, Mr John Lewis resigned his position as Executive Director of the Company and its subsidiaries.

On the 28th August, the Company gave notice to the market of a change in Registered office and Principal place of Business to 91 High Street Fremantle WA.

Capital Raising

On the 12th March 2018, the Board of TV2U International Ltd advised the market that the Group had completed a placement to a sophisticated investor, Cancun Trading Pty Ltd of 105 million fully paid ordinary shares at 1.43 cents per share raising AUD $1.50 million. With the placement by Cancun Trading Pty Ltd, the Company elected not to proceed with the final $300,000 worth of Tranche E Convertible notes with MEF I L.P. The Company also announced the issue of a cleansing notice on the issue of the 105 million fully paid shares under Section 708A(5)(e) of the Corporations Act 2001 (Cth)("Act")

B Financial Performance and Financial Position

The financial results of the Group for the year ended 30 June 2018 are:

	30 June 2018	30 June 2017	% Change
Cash and cash equivalents ($)	446,331	4,582	4641%
Net assets ($)	(215,758)	(908,425)	-99%
Revenue ($)	640,247	10,244	6136%
Net loss after tax ($)	(4,529,310)	(9,811,066)	-46%
Loss per share (cents)	(0.25)	(0.72)	-65%

Financial Performance

The financial result for the year ended 30 June 2018 is a net loss after tax of $ 4,529,310 as per the table above.

C Business Strategies and Prospects for future financial years

During the financial period the Group continued with its' strategy into the OTT sector as a leading digital content enabler and technology provider to the media, entertainment and telecommunications industries.

There are specific risks associated with these activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Company and the market price of the Company's shares.

(a) Intellectual Property

TV2U has licensed or acquired the rights to certain patent applications relating to its core business. None of the patent applications are held in the name of the relevant subsidiary and, at the date of this Annual Report, none of the patent applications have been granted. The patent applications are held in the name of TARA IP Limited, an entity controlled by Mr Nick Fitzgerald, the Chairman of the Company. TV2U Singapore has acquired all of the rights, title and interest in and to the patent applications by assignment and has licensed such rights to TV2U Worldwide.

Even if granted, the granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Although the Company is not aware of any third party interests in relation to the intellectual property rights, and TV2U has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

(b) Technology Risk

The Company is reliant upon certain technologies and upon the successful commercialisation of the technologies as currently held by TV2U. There is a risk that as marketable technologies continue to develop in the communications industry there may be certain product developments that supersede, and render obsolete, the products and services of the Company, this would adversely affect the profitability of the Company and likely the value of the Shares.

(c) New Market Entrants and Technology Risk

The emergence of new competitors in the market, or any technological developments providing an alternative to TV2U's product offerings could impact the market share that the Company is able to acquire and cause downward price pressure on consumer software and services platforms, thus reducing the Company's margins and revenue. Further, existing providers of similar consumer services may also respond aggressively to TV2U's market growth to retain or regain market share, which could also impact the Company's margins and revenue.

7. OPERATING AND FINANCIAL REVIEW (CONT)

(d) Failure to Deal with Growth

The TV2U business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth and properly and fully implement the roll out of the technology under various joint venture or other arrangements, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the business.

(e) Availability of IT Staff in the Market

TV2U is reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of the TV2U products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability.

(f) Dependence on Products

TV2U's products require the use of hardware devices and as such the business model of TV2U will be dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which TV2U's technology will not function as intended which could impact on the profitability of the Company.

(g) Security Breaches and Hacker Attacks

A malicious attack on TV2U's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or failing revenues. TV2U follows best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise this risk.

(h) Customer Service Risk

TV2U's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of TV2U products or services. If any of these occur, it may adversely impact the Company's revenues.

i. Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

7. OPERATING AND FINANCIAL REVIEW (CONT)

ii. Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

iii. Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

During the year the Company instituted a policy of postponing potential capital expenditure and instead using supplier's capital equipment on a metered fee basis. This substantially reduced the Company's short-term capital requirements. The supply of these services has increased significantly and the cost has also come down. As a result, the Company has also improved its continuity of service as the supplier has numerous backup systems.

The Company has entered agreements to raise up to $3.0 million through the issue of Convertible Notes during the 2017 Financial Year. According to the Company's budgeted cashflow for the 2018 Financial Year, these funds raised are sufficient to meet the Company's current working capital requirements and its projected requirements into 2018 until it can generate sales sufficient to meet its expenditure requirements.

8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group.

9. EVENTS AFTER THE REPORTING DATE

On the 19th July 2018, the Group announced its successful commercial licencing agreement with Africa Enterprise Media Group (AEMG), the leading South African digital and broadcasting technology provider to launch and market its leading edge video content delivery platform under the brand name "TV2 Africa". A licencing agreement for its technology and brand assets to AEMG to enhance the full-service OTT streaming platform already offered to customers of AEMG in the region. The service will commence with 10,000 active subscribers being brought onto the new enhanced platform immediately upon commercialisation with a targeted 1 million paying subscribers in the first 12 months. AEMG have also been currently offered non-exclusive rights, subject to satisfactory performance, exclusive rights to take this platform to the rest of Africa and the Middle East. AEMG and TV2U will operate on a revenue share model and the agreement will initially run for a 36 month term with both parties agreeing to further extensions by mutual consent.

On the 27th August 2018, the Group announced that services with iStream and TV2U's IVAN-X content delivery platform had now entered its second phase of its product evolution following the full launch of ZEE BIOSKOP channel onto the platform. ZEE BIOSKOP, an India-based satellite television channel owned by ZEE Entertainment Enterprises broadcasts a 24-hour service and provides movies officially licenced from ZEE Cinema. The channel is also one of the most famous channels in Asia. Content includes Bollywood blockbuster movies and premium Indian TV series fully dubbed into the local language. ZEE is the first of what is expected to be several content offerings hosted on the iStream platform in Indonesia over the next 12 months. Indosat has an addressable market of 110 million subscribers. TV2U has negotiated a 50% net revenue share and is targeting 500,000 monthly subscribers within 1 year of operation assuming 0.5% (half of one percent) conversion rate of Indosat's addressable market, the Company is looking for revenues of USD $750,000 per month. Most would consider conservative. With organic growth of ZEE and further content offerings expected this monthly revenue will grow. Additional opportunities also exist through TV2U's analytics with targeted advertising monetisation.

On 17th September 2018, the Company announced that it had secured up to AUD $2,700,000 in funds through the issue of convertible securities (each, a Convertible Security) to Lind Asset Management XIII, LLC, an entity managed by The Lind Partners, LLC (together, Lind), a New York-based institutional investor.

Under the Convertible Security Funding Agreement (Agreement), the Company has received AUD $1,500,000 into TV2U, for which TV2U will issue Lind with a first Convertible Security (First Convertible Security), which will be used to support the ongoing roll-out of TV2U's platform and to meet working capital requirements. The Agreement provides for TV2U to request up to an additional AUD $1,200,000 (in three tranches of AUD $400,000 each) during the term of the Agreement through the issue of a second, third and fourth Convertible Security, subject to certain conditions having been met.

The First Convertible Security will have a face value of AUD $1,800,000 that will be repayable over 18 months, with an initial repayment holiday of 90 days. TV2U will make 15 monthly repayments of AUD $120,000 in either shares or cash (at TV2U's option). The monthly repayment amount in shares will be determined using 90% of the average of three daily VWAPs per share as selected by Lind during the 20 trading days preceding the monthly payment. The 15th and final payment is scheduled to take place in March 2020.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

9. EVENTS AFTER THE REPORTING DATE (CONT)

In respect of the First Convertible Security, TV2U has paid Lind a Commitment Fee of AUD $45,000 and on execution of the Agreement has issued Lind with 30,000,000 fully paid ordinary shares that will be credited or returned by the end of the Agreement and 62,500,000 unlisted options to purchase ordinary shares in TV2U with an exercise price equal to 130% of the average daily VWAP during the 20 trading days prior to execution of the Agreement, with an expiry date of 36 months after the date of issue.

While shareholder approval is not required for the funding of the first Convertible Security amount to proceed, the Agreement contains provisions requiring the approval of shareholders to refresh TV2U's placement capacity under Listing Rule 7.1.

On the 5th September 2018 the company issued Mr John Lewis, a former executive director 3,518,909 fully paid ordinary shares in the company in lieu of fees for services rendered.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

10. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

We will continue to explore opportunities and develop key partnerships with companies and individuals who share the vision of creating a global OTT platform with the ability to bolt onto existing technologies with the aim of increasing revenues for our shareholders.

11. ENVIRONMENTAL ISSUES

The Company is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Company.

12. OPTIONS AND PERFORMANCE SHARES

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

Expiry Date	Exercise Price	Number of Listed Options	Number of Unlisted Options
30 March 2019	$0.04	351,413,781	-
31 December 2018	$0.03	-	31,687,500

Subsequent to the end of the reporting period, the Company has issued 62,500,000 unlisted options exercisable at $0.011 each and expiring on 18th September 2021, under the terms of the Convertible Security Funding Agreement specified above.

Option holders do not have any rights to participate in any issue of shares or other interests of the Company or any other entity.

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

12. OPTIONS AND PERFORMANCE SHARES (CONT)

At the date of this report, performance shares on issue are as follows:

Class	Date Granted	Issue price of shares	Expiry Date	Number
B	9 February 2016	Nil	9 February 2019	107,142,857
C	9 February 2016	Nil	9 February 2020	142,857,143
D	9 February 2016	Nil	9 February 2020	178,571,428

Class B Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement.

Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement.

Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement.

13. PROCEEDINGS ON BEHALF OF THE COMPANY AND GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group and its controlled entities, or to intervene in any proceedings to which the Group and its controlled entities are parties, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

14. INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current Executive Officers against a liability incurred as such a director or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

15. NON-AUDIT SERVICES

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the nature of services provided does not compromise the general principles relating to auditor independence in accordance with APES 110, Code of Ethics for Professional Accountant.

	30-Jun-18
	$
Amounts received or due and receivable	
Taxation and other services	-
	-

16. REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*. There were no Company executives and other key management personnel who were not also Directors of the Company for the financial year.

The remuneration arrangements detailed in this report are for the Executive Directors and Non-Executives who held office during the financial year and are as follows:

Director	Position	Duration of Appointment
Mr N Fitzgerald	CEO Executive Director	Appointed 5 February 2016
Mr P McKeiver	Non-Executive Chairman	Appointed 3 April 2018
Mr A Brown	CEO, Executive Director	Appointed 15 March 2017 (Resigned 10 November 2017)
Mr D Adams	Executive Director	Appointed 19 January 2017
Mr A Boyd	Non-Executive Director	Appointed 19 January 2017
Mr P Cunningham	Executive Director	Appointed 21 October 2016 (Resigned 10 November 2017)
Mr J Lewis	Executive Director, Company Secretary	Appointed 15 March 2017 (Resigned 9 April 2018)

The Remuneration Report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Contractual Arrangements
F Equity Instruments Issued on Exercise of Remuneration Options
G Adoption of Remuneration Report by Shareholders
H Equity Instruments Held by Key Management Personnel
I Loans to Key Management Personnel
J Other Transactions with Key Management Personnel

A. Remuneration Philosophy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel of TV2U comprise the Board of Directors only.

The performance of the Company depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives.

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives, by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

B. Remuneration Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development nor has the Board engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors. It is considered that the size of the Board, along with the level of activity of the Company, renders this impractical and the full Board considers in detail all of the matters for which the Directors are responsible.

➢ **Executive Remuneration Structure**

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board;
- All executives may receive a base salary, (which reflects the person's duties, responsibilities, experience and length of service), superannuation, fringe benefits, options, shares and performance incentives; and
- The Board reviews the executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

16. REMUNERATION REPORT (AUDITED)

B. Remuneration Structure and Approvals (cont)

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of shareholders' value. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, options and shares. The policy is designed to attract the highest calibre executives and reward them for performance that results in long-term growth in shareholder wealth. All directors and executives are also entitled to participate in the Company's share-based incentive plan, the performance rights plan. All directors and executives employed directly by the Company receive a superannuation guarantee contribution required by the government unless otherwise stated in their employment contracts and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and is expensed. Options and performance rights given to directors and executives as part of their remuneration are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options and performance rights are valued using an option pricing model.

➢ **Non-Executive Remuneration Structure**

The Board's intention is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board of Directors determines the payments to the non-executive directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required.

The remuneration of non-executive directors consists of Directors' fees, payable in arrears. The total aggregate fee pool to be paid to Directors (excluding executive directors) is set at $250,000 per year (in accordance with the Company's Constitution) and as approved by the shareholders of the Company. Non-executive directors do not receive retirement benefits but are able to participate in share-based incentive plan and encouraged to hold shares in order to align director's interests with shareholder interests.

Non-executive directors may enter into separate consultancy mandates with the Company for the provision of professional and technical services that fall outside the scope of their directorship role. Under this mandate directors receive a consultancy fee in connection with time spent on Company business, including reasonable expenses incurred by them in carrying out this consultancy role.

Further details relating to remuneration of Non-Executive Directors are contained in the Remuneration Table disclosed as Section D of this Report; and within the Notes to the Financial Statements: Note 21 Key Management Personnel Disclosures.

C. Remuneration and Performance

During the reporting period, Director Remuneration was not linked to either long term or short term performance conditions. The Board feels that the terms and conditions of options and shares held by Directors were a sufficient, long term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth.

During the previous reporting period, shareholders approved the adoption of a performance rights plan (PRP) to provide ongoing incentives to directors, executives and employees of the Company. The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued under the PRP are aligned with the successful growth of the Company's business activities. This long term incentive has been tailored to increase goal congruence between shareholders and directors and executives.

The earnings of the consolidated entity for the five years to 30 June 2018 are summarised below:

	2018	2017	2016	2015	2014
Sales Revenue ($)	640,247	10,244	33,098	-	223,246
EBITDA ($)	(4,439,678)	(9,736,175)	(13,312,934)	(287,808)	(2,421,523)
EBIT ($)	(4,526,256)	(9,741,534)	(13,380,475)	(329,478)	(2,421,927)
Loss after income tax ($)	(4,529,310)	(9,811,066)	(14,160,151)	(335,281)	(2,462,656)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2018	2017	2016	2015	2014*
Share price at financial year end ($)	0.010	0.017	0.03	-	0.03
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings (loss) (cents per share)	(0.25)	(0.72)	(1.37)	(0.09)	(3.804)

* The Group results for 30 June 2014 were related to TV2U International Limited prior to acquiring of TV2U subsidiaries.

16. REMUNERATION REPORT (AUDITED) (CONT)

D. Details of Remuneration

The key management personnel of the Company are the Board of Directors.

During the financial years ended 30 June 2018 and 30 June 2017, the Directors received no long-term benefits. The only remuneration received by the Directors within these periods were short-term employee benefits, post-employment benefits and termination benefits apart from performance rights as disclosed below.

Details of the remuneration of the Directors of the Company for the year ended 30 June 2018 are as follows:

	Short-term employee benefits			Post-employment benefits		Equity-based payments		Total
30-Jun-18	**Salary & fees**	**Cash bonus**	**Non-monetary**	**Super-annuation**	**Termination benefits**	**Performance rights**	**Fees paid in shares**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Chairman								
Mr P McKeiver (i)	15,000	-	-	-	-	-	-	15,000
Executive Directors								
Mr Andrew Brown (ii)	22,500							22,500
Mr N Fitzgerald (iii)	350,000	-	-	-	-	-	-	350,000
Mr John Lewis (iv)	98,600	-	-	-	-	-	-	98,600
Mr David Adams (v)	120,000	-	-	-	-	-	-	120,000
Mr Peter Cunningham (vi)	72,968	-	-	-	-	-	-	72,968
Non-Executive Directors								
Mr Alan Boyd (vii)	36,000	-	-	-	-	-	-	36,000
Total	**715,068**	**-**	**-**	**-**	**-**	**-**	**-**	**715,068**

i Appointed Chairman 3 April 2018
ii Appointed Director 15 March 2017 (resigned 10 November 2017)
iii Appointed Director 6 February 2016 as CEO
iv Appointed Director 15 March 2017, appointed Company Secretary 28 February 2017 (resigned 9 April 2018)
v Appointed Director 19 January 2017 previously Group CFO.
vi Appointed Director 21 October 2016 (resigned 10 November 2017)
vii Appointed Director 19 January 2017

16. REMUNERATION REPORT (AUDITED) (CONT)

Details of the remuneration of the Directors of the Company for the year ended 30 June 2017 are as follows:

	Short-term employee benefits			Post-employment benefits		Equity-based payments		Total
30-Jun 2017	**Salary & fees**	**Cash bonus**	**Non-monetary**	**Super-annuation**	**Termination benefits**	**Performance rights**	**Fees paid in shares**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Executive Directors (Managing Director)								
Mr N Fitzgerald (i)	350,000	-	-	-	-	-	-	350,000
Mr A Brown (ii)	47,182	-	-	-	-	-	-	47,182
Mr J Lewis (iii)	88,500	-	-	-	-	-	-	88,500
Mr D Adams (iv)	65,000	-	-	-	-	-	-	65,000
Mr P Cunningham (v)	99,746	-	-	-	-	-	-	99,746
Mr G Durtanovich (vi)	56500	-	-	-	-	-	-	56,500
Non-Executive Directors								
Mr A Boyd (vii)	16,500	-	-	-	-	-	-	16,500
Mr T Chong (viii)	18,500	-	-	-	-	-	-	36,000
Mr F Ismail (ix)	11,100	-	-	-	-	-	-	11,100
Mr M English (x)	3,000	-	-	-	-	-	-	3,000
Total	**756,028**		**-**		**-**	**-**	**-**	**756,028**

(i) Mr Fitzgerald was appointed on 5 February 2016.
(ii) Mr Brown was appointed 15 March 2017 (Resigned 10 November 2017)
(iii) Mr Lewis was appointed on 15 March 2017
(iv) Mr Adams was appointed 19 January 2017
(v) Mr Cunningham appointed 21 October 2016 (Resigned 10 November 2017)
(vi) Mr Durtanovich appointed 21 October 2016 (Resigned 28 February 2017)
(vii) Mr Boyd appointed 19 January 2017
(viii) Mr Chong was appointed on 8 February 2016
(ix) Mr Ismail resigned 21 October 2016
(x) Mr English appointed 28 February 2017 (Resigned 15 March 2017)

E. Contractual Arrangements

- **Mr Phil McKeiver**- Non-Executive Chairman (Appointed 3 April 2018)

  - Contract commencement date 3 April 2018.
  - Director fee is set at $5,000 per month ($60,000 pa) excluding superannuation and GST.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr McKeiver will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr McKeiver's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
  - Termination: The engagement may be terminated by the Company or Mr McKeiver giving the other party the requisite 4 week's notice.

16. REMUNERATION REPORT (AUDITED) (CONT)

- **Mr Nick Fitzgerald** – Executive Chairman

  - Contract commencement date: 5 February 2016
  - Terms: 3 year term commencing 5 February 2016
  - Remuneration: Consulting fee was set at $350,000 per annum (excluding superannuation).
  - Other Fees: Mr Fitzgerald is entitled to a performance bonus of $150,000 for each deal signed by TV2U Singapore during the term of engagement where the forecast revenue in the 12 months after commercial launch of the deal is not less than $5,000,000.
  - Restraint of Trade: Mr Fitzgerald will be subject to a restraint of trade period of up to one year from termination of the engagement.
  - Termination: The engagement may be terminated by the Company or Mr Fitzgerald giving the other party the requisite notice.

- **Mr Andrew Brown** – Executive Director, CEO Resigned 10 November 2017

  - Contract commencement date: 20 February 2017
  - Remuneration: Consulting fee was set at $165,000.
  - Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr Brown will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr Brown's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
  - Termination: The engagement may be terminated by the Company or Mr Brown giving the other party the requisite 4 weeks notice.

- **Mr John Lewis** – Executive Director / Company Secretary resigned 9 April 2018

  - Contract commencement date: 15 March 2017
  - Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
  - Terms: Mr Lewis will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr Lewis's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
  - Termination: The engagement may be terminated by the Company or Mr Lewis giving the other party the requisite 4 weeks notice.

17. REMUNERATION REPORT (AUDITED) (CONT)

- **Mr David Adams** – Executive Director / Chief Financial Officer

  - Contract commencement date: 19 January 2017
  - Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
  - Remuneration: Consulting fee was set at $120,000 per annum.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr Adams will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr Adams's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
  - Termination: The engagement may be terminated by the Company or Mr Adams giving the other party the requisite 4 weeks notice.

- **Mr Peter Cunningham** – Executive Director / Chief Operating Officer Resigned 10 November 2017

  - Contract commencement date 21 October 2016
  - Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr Cunningham will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr Cunningham's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
  - Termination: The engagement may be terminated by the Company or Mr Brown giving the other party the requisite 4 weeks notice.

- **Mr Alan Boyd** – Non-Executive Director

  - Contract commencement date 19 January 2017
  - Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr Boyd will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr Boyd's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
  - Termination: The engagement may be terminated by the Company or Mr Brown giving the other party the requisite 4 weeks notice.

16. REMUNERATION REPORT (AUDITED) (CONT)

Securities Received that are Not Performance-related

No members of Key Management Personnel (KMP) are entitled to receive securities that are not performance-based as part of their remuneration package.

F. Equity Instruments Issued on Exercise of Remuneration Options

No options or rights were granted as remuneration during the year. No shares were issued during the financial year to Directors or key management as a result of exercising remuneration options.

16. REMUNERATION REPORT (AUDITED) (CONT)

G. Adoption of Remuneration Report by Shareholders

Adoption of the Remuneration Report for the financial year ended 30 June 2017 was put to the shareholders of the Company at the Annual General Meeting held 29 November 2017. The non-binding resolution was passed (by a greater than 50% majority), and no more than 25% of votes cast were cast against the Company's Remuneration Report, no strike was recorded for the purposes of the Corporations Act.

Since the 2017 AGM the Company has restructured the Board. The strategy has been to recruit the best, most qualified people for the executive and non-executive positions within the Company. Specifically, in April 2018, Mr Phil McKeiver was appointed as non-executive director and Chairman.

In May 2017 the Group undertook a thorough review of the Corporate Governance and published a complete set of Corporate Governance Policies. All the Company's policy documents are available on the Company's website.

Included in these policy documents was a Charter for the Company's Remuneration Committee. This charter provided details of the Company policy and guidelines for setting the remuneration of executives and non-executives within the Company. It also set out the process for the Remuneration Committee to follow and provided a reporting structure to the Board. The Board of TV2U has committed to where possible follow the guidelines set out in the policy and has improved the feedback it has provided to shareholders on this and all matters.

As a result of implementing these new measures the Board believes that the Company will be able to maintain it new executives and also recruit high calibre employees where necessary in the future.

H. Equity Instruments Held by Key Management Personnel

Shareholdings of Key Management Personnel

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2018 are set out below:

	Balance at beginning of year or on appointment	Granted as remuneration	Issued on exercise of options	Other Changes	Balance at end of year or on resignation (i)
Directors					
Mr N Fitzgerald	303,571,428	-	-	-	303,571,428
Mr A Brown (ii)	-	-	-	-	-
Mr D Adams (ii)	1,975,000	-	-	-	1,975,000
Mr A Boyd (ii)	-	-	-	-	-
Mr P Cunningham (ii)	-	-	-	-	-
Mr J Lewis (ii)	-	-	-	-	-
Mr M English (ii)(iii)	-	-	-	-	-
Total	**308,962,458**	**-**	**-**	**-**	**308,962,458**

(i) These closing balances reflect KMP shareholdings as at 30 June 2018. KMP shareholdings at the date of this report can be found in the Directors Report.
(ii) Appointed during the year.
(iii) Resigned during the year.

16. REMUNERATION REPORT (AUDITED) (CONT)

H. Equity Instruments Held by Key Management Personnel (cont)

Option Holdings of Key Management Personnel

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2018 are set out below:

	Balance at beginning of year or on appointment	Grant Details			Exercised		Lapsed	Balance at end of year or on resignation (i)
		Issue Date	No.	Value $	No.	Value $	No.	
Directors								
Mr N Fitzgerald	-	-	-	-	-	-	-	-
Mr A Brown (iii)	-	-	-	-	-	-	-	-
Mr D Adams	493,750	-	-	-	-	-	-	493,750
Mr A Boyd	-	-	-	-	-	-	-	-
Mr P Cunningham (iii)	-	-	-	-	-	-	-	-
Mr J Lewis (iii)	-	-	-	-	-	-	-	-
Mr P McKeiver (ii)	-	-	-	-	-	-	-	-
Total	**493,750**	**-**	**-**	**-**	**-**	**-**	**-**	**493,750**

(i) These closing balances reflect KMP option holdings as at 30 June 2018. KMP option holdings at the date of this report can be found in the Directors Report.
(ii) Appointed during the year.
(iii) Resigned during the year.

	Balance at end of year or on resignation	Vested			Unvested
		Exercisable No.	Unexercisable No.	Total at end of the year No.	Total at End of Year No.
Directors					
Mr N Fitzgerald	-	-	-	-	-
Mr A Brown	-	-	-	-	-
Mr D Adams	493,750	-	-	-	493,750
Mr A Boyd	-	-	-	-	-
Mr P McKeiver	-	-	-	-	-
Mr P Cunningham	-	-	-	-	-
Mr J Lewis	-	-	-	-	-
Total	**493,750**	**-**	**-**	**-**	**493,750**

16. REMUNERATION REPORT (AUDITED) (CONT)

H. Equity Instruments Held by Key Management Personnel (cont)

Performance Rights Holdings of Key Management Personnel

Details of performance rights held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2018 are set out below:

30 June 2018	Balance at beginning of year or on appointment	Received as Remuneration	Lapsed	Net change - other	Balance at end of year or on resignation
Directors					
Mr N Fitzgerald	440,178,572	-	75,892,858	-	364,285,714
Mr A Brown (ii)	-	-	-	-	-
Mr D Adams	-	-	-	-	-
Mr A Boyd	-	-	-	-	-
Mr P McKeiver (i)	-	-	-	-	-
Mr P Cunningham (ii)	-	-	-	-	-
Mr J Lewis (ii)	-	-	-	-	-
Total	**440,178,572**	-	**75,892,858**		**364,285,714**

(i) Appointed during the year.
(ii) Resigned during the year.

I. Loans to Key Management Personnel

There were no loans outstanding to or from Directors or any other Key Management Personnel at the financial year ended 30 June 2018.

J. Other Transactions with Key Management Personnel

There were no other transactions with key management personnel during the financial year ended 30th June 2018

[End of Remuneration Report]

17. CORPORATE GOVERNANCE

The Company's corporate governance statement can be found in the investor section of the Company's website

Corporate governance disclosures not included in the Company's corporate governance statement or elsewhere in this report are as follows:

18. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2018 has been received and can be found on the following page 25 of this Annual Report.

19. AUDITOR

PA Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

David Adams
Executive Director

Perth, Western Australia
30 September 2018

PA AUDIT PTY LTD

CHARTERED ACCOUNTANTS AND BUSINESS ADVISORS

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Email: manager@dfkpa.com.au
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Auditor's Independence Declaration

To those charged with governance of TV2U International Limited

As auditor for the audit of TV2U International Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

i. no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

PA Audit Pty Ltd

PA Audit Pty Ltd

KATHAL SPENCE
AUDIT DIRECTOR

30 September 2018
Perth

TV2U INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30-Jun-18	30-Jun-17
		$	$
Revenue and other income from continuing operations	5	640,247	10,244
Cost of goods sold		(224,086)	-
Employee benefits expense	6	(114,962)	(123,358)
Administrative expenses	6	(4,263,524)	(4,756,261)
Finance costs	6	(3,054)	(5,359)
Depreciation and amortisation	6	(86,578)	(69,532)
Share-based payment expense		(428,571)	(4,767,857)
Foreign exchange loss		(48,782)	(98,943)
Loss from continuing operations before income tax		(4,529,310)	(9,811,066)
Income tax expense	7	-	-
Loss from continuing operations after income tax		(4,529,310)	(9,811,066)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference on translation		(66,479)	381,154
Other comprehensive income for the year, net of tax		(66,479)	381,154
Total comprehensive loss for the year		(4,595,789)	(9,429,912)
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share - cents per share	19	(0.25)	(0.72)
Diluted loss per share - cents per share	19	(0.25)	(0.72)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in Conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	30-Jun-18	30-Jun-17
			$
Current Assets			
Cash and cash equivalents	7	446,331	4,582
Trade and other receivables	8	890,348	844,158
Other assets	9	-	15,539
Total Current Assets		1,336,679	864,279
Non-Current Assets			
Plant and equipment	10	66,753	26,332
Intangible assets	11	56,248	112,894
Total Non-Current Assets		123,001	139,226
TOTAL ASSETS		1,459,680	1,003,505
Current Liabilities			
Trade and other payables	12	635,852	1,117,735
Borrowings	13	204,467	30,000
Other liabilities	14	835,119	764,194
Total Current Liabilities		1,675,438	1,911,929
TOTAL LIABILITIES		1,675,438	1,911,929
NET ASSETS		(215,758)	(908,424)
Equity			
Contributed equity	15	26,558,087	21,698,203
Reserves	16	1,475,323	1,237,402
Accumulated losses	18	(28,249,168)	(23,844,029)
TOTAL EQUITY		(215,758)	(908,424)

The Consolidated Statement of Financial Position is to be read in
Conjunction with the accompanying notes to the financial statements.

TV2U INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Contributed Equity	Equity-based Payment Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 July 2016	**16,386,067**	**863,950**	**(315,101)**	**(14,495,432)**	**2,439,484**
Comprehensive loss:					
Loss for the year	-	-	-	(9,811,066)	(9,811,066)
Other comprehensive income	-	(1,456)	382,610	-	381,154
Total comprehensive income/(loss) for the year	-	(1,456)	382,610	(9,811,066)	(9,429,912)
Transactions with owners in their capacity as owners:					
Share-based payments	4,250,000	572,857	-	-	4,822,857
Capital raising	1,021,930	-	-	-	1,021,930
Options issued for cash	-	197,011	-	-	197,011
Share issued for convertible notes	165,226	-	-	-	165,226
Share issue costs	(125,020)	-	-	-	(125,020)
Expiry of options	-	(57,402)	-	57,402	-
Total transactions with owners	**5,312,136**	**712,466**	**-**	**57,402**	**6,082,003**
Other					
Transfer from reserve to retained earnings	-	(405,067)	-	405,067	-
Total other	-	(405,067)	-	405,067	-
At 30 June 2017	**21,698,203**	**1,169,893**	**67,509**	**(23,844,029)**	**(908,424)**
Balance at 1 July 2017	**21,698,203**	**1,169,893**	**67,509**	**(23,844,029)**	**(908,424)**
Comprehensive loss:					
Loss for the year	-	-	-	(4,529,310)	(4,529,310)
Other comprehensive income	-	806	(66,479)	-	(66,479)
Total comprehensive income/(loss) for the year	**-**	**806**	**(66,479)**	**(4,529,310)**	**(4,595,789)**
Transactions with owners in their capacity as owners:					
Share-based payments	-	428,571	-	-	428,571
Capital raising	1,501,500	-	-	-	1,501,500
Expiry of options	-	(124,171)	-	124,171	-
Share issue costs	(354,785)	-	-	-	(354,785)
Shares issued for convertible notes	3,713,169	-	-	-	3,713,169
Total transactions with owners	4,859,884	304,400	-	124,171	5,288,455
At 30 June 2018	**26,558,087**	**1,474,293**	**1,030**	**(28,249,168)**	**(215,758)**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

	Notes	30-Jun-18	30-Jun-17
			$
Cash flows used in operating activities			
Receipts from customers		640,247	-
Payments to suppliers and employees		(5,163,289)	(3,697,403)
Interest received		-	10,244
Interest paid		(3,054)	(5,359)
Net cash flows used in operating activities	7(b)	(4,526,096)	(3,692,518)
Cash flows used in investing activities			
Payment for plant and equipment		(66,506)	(24,130)
Payment for intangible assets		-	-
Net cash flows used in investing activities		(66,506)	(24,130)
Cash flows from financing activities			
Proceeds from issue of share capital		1,501,500	1,021,930
Share issue costs		(354,785)	(70,021)
Proceeds/ (repayment) of related party Loan		(30,000)	(199,751)
Proceeds from issue of options		-	197,011
Proceeds from issue of Convertible Notes		3,917,636	165,226
Repayment of Convertible Notes		-	-
Net cash flows provided by financing activities		5,034,351	1,114,395
Net increase in cash and cash equivalents		441,749	(2,602,253)
Cash and cash equivalents at beginning of year		4,582	2,606,835
Cash and cash equivalents at end of year	7(a)	446,331	4,582

The Consolidated Statement of Cash Flows is to be read in
Conjunction with the accompanying notes to the financial statements.

1. REPORTING ENTITY

TV2U International Limited ("the Company" or "Parent Entity") and its controlled entities (together the "Group") is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited ("ASX"). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory of the annual report.

The separate financial statements of the Parent Entity have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

The financial report was authorised for issue on 30th September 2018.

2. BASIS OF PREPARATION

(a) Going Concern

During the year, the consolidated entity incurred a net loss after income tax for the year ended 30 June 2018 of $4,529,310 (2017: $9,811,066), incurred net cash outflows in operating activities of $4,526,096 (2017: outflow of $3,692,518), and had a net current liabilities of -$338,759 at 30 June 2018 (2017: net current liabilities of -$1,047,650).

The ability of the consolidated entity to continue as a going concern is dependent on securing additional funding through capital raising to continue to meet its working capital requirements in the next 12 months.

In summary, subsequent to the close of the 2018 financial year, the Company has achieved the following

On the 19th July 2018, the Company announced its successful commercial licencing agreement with Africa Enterprise Media Group (AEMG), the leading South African digital and broadcasting technology provider to launch and market its leading edge video content delivery platform under the brand name "TV2U Africa". A licencing agreement for its technology and brand assets to AEMG to enhance the full-service OTT streaming platform already offered to customers of AEMG in the region. The service will commence with 10,000 active subscribers being brought onto the new enhanced platform immediately upon commercialisation with a targeted 1 million paying subscribers in the first 12 months. AEMG have also been currently offered non-exclusive rights, subject to satisfactory performance, exclusive rights to take this platform to the rest of Africa and the Middle East. AEMG and TV2U will operate on a revenue share model and the agreement will initially run for a 36 month term with both parties agreeing to further extensions by mutual consent.

On the 27th August 2018, the Company announced that services with iStream and TV2U's IVAN-X content delivery platform had now entered its second phase of its product evolution following the full launch of ZEE BIOSKOP channel onto the platform. ZEE BIOSKOP, an India-based satellite television channel owned by ZEE Entertainment Enterprises broadcasts a 24-hour service and provides movies officially licenced from ZEE Cinema. The channel is also one of the most famous channels in Asia. Content includes Bollywood blockbuster movies and premium Indian TV series fully dubbed into the local language. ZEE is the first of what is expected to be several content offerings hosted on the iStream platform in Indonesia over the next 12 months. Indosat has an addressable market of 110 million subscribers. TV2U has negotiated a 50% net revenue share and is targeting 500,000 monthly subscribers within 1 year of operation assuming 0.5% (half of one percent) conversion rate of Indosat's addressable market, the Company is looking for revenues of USD $750,000 per month. Most would consider conservative. With organic growth of ZEE and further content offerings expected this monthly revenue will grow. Additional opportunities also exist through TV2U's analytics with targeted advertising monetisation.

2. BASIS OF PREPARATION (CONT)

(a) Going Concern (cont)

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at the amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

(b) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report of the Group also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board. The Group is a for-profit entity for the purpose of preparing the financial statements.

(c) Reverse Acquisition accounting

On 9th February 2016, TV2U (formerly known as Galicia Energy Corporation Limited), the legal parent and legal acquirer, completed the acquisition of TV2U Worldwide Pty Ltd ("TV2U Subsidiaries"). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a Group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that TV2U Subsidiaries have effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if TV2U Subsidiaries have acquired TV2U, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by TV2U Subsidiaries to have exactly the same percentage holding in the new structure at the date of the transaction.

(d) Basis of measurement

Except for cash flow information, the financial report has been prepared on accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

(e) Functional and presentation currency

The presentation currency of the Group is Australian dollars (AUD).

2. BASIS OF PREPARATION (CONT)

(f) New, revised or amended standards and interpretations adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Refer to Note 3(t).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of TV2U International Limited and its subsidiaries ("the Group") as at 30th June each year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses from intra-Group transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

Business combinations have been accounted for using the acquisition method of accounting.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(a) Basis of consolidation (cont)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is revalued to its fair value with the change in carrying amount recognised in the statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statement of comprehensive income.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(c) Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 *Income Taxes* applies. No goodwill will arise on the acquisition.

(d) Foreign currency translation

(i) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars. The functional and presentation currency of the Company is Australian dollars. The functional currencies of the subsidiaries are Singapore Dollars (SGD).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income on a net basis within other income or other expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Foreign currency translation (cont)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date,
- Revenue and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from Services

Revenue from rendering services is recognised when persuasive evidence exists that the services rendered and the economic benefits expected to flow to the Group and revenue can be reliably measured.

Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(f) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(f) Income Tax (cont)

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

- The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities shall be offset only if:

(a) there is a legally enforceable right to set-off current tax assets against current tax liabilities; and

(b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or
    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(g) Goods and Services Tax

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 which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST included. 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 included 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 is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of cash flows.

(i) Trade and Other Receivables

Trade and other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

(j) Plant and Equipment

Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components).

Subsequent costs

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the statement of comprehensive income using a straight line method over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives in the current financial year are as follows:

- Plant and equipment – 3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Plant and Equipment (cont)

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

(k) Intangible assets

IT development and software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

These intangible assets have finite lives and are subject to amortisation on a straight line basis. The useful lives for these assets are as follows:

- Software 4 years

(l) Financial Assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(l) Financial Assets (cont)

(iii) Available for sale financial assets

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(m) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or Group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Group of financial assets with similar credit risk characteristics and that Group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) Impairment of financial assets (cont)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Trade and Other Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) Trade and Other Payables (cont)

Employee Leave Benefits

Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings Per Share

Basic earnings per share
Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share is calculated as net profit or loss 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.

(q) Share-Based Payments

The Group provides benefits to employees (including senior executives) 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).

When provided, 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 by an external valuer using a calculation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(q) Share-Based Payments (cont)

The cumulative expense recognised for equity-settled transactions at each reporting date until 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. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(r) Comparative Figures

When required by Accounting Standards, comparative information has been reclassified to be consistent with the presentation in the current year.

(s) Significant Accounting Estimates and Judgments

Significant accounting judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

(t) New standards and interpretations not yet mandatory or early adopted

There are a number of new Accounting standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(t) New standards and interpretations not yet mandatory or early adopted (cont)

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2018. The Group is yet to evaluate the impact of those standards and interpretations on the financial statements.

Reference	Title	Application date of standard	Application date for the Company
AASB 15	Revenue from Contracts with Customers	1 January 2018	1 July 2018
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	1 July 2018
AASB 2016-3	Amendments to Australian Accounting Standards – Clarification to AASB 15	1 January 2018	1 July 2018
AASB 16	Leases	1 January 2019	1 July 2019
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	1 July 2018
AASB 2016-6	Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts	1 January 2018	1 July 2018
AASB 2017-1	Amendments to Australian Accounting Standards – Transfers of Investment Property. Annual improvements 2014-2016 Cycle and Other Amendments	1 July 2018	1 July 2018

4. SEGMENT INFORMATION

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

During the period the Group operated as one business segment, being wholesale television provider to B2B clients. Through its established in-country relationships and management expertise, the Company intends to expand its asset portfolio throughout Australia, Singapore, Brazil (LATAM), Hong Kong, Malaysia, Indonesia and South Africa.

5. REVENUE & OTHER INCOME

	30-Jun-18	30-Jun-17
		$
Revenue and other income from continuing operations		
PT PGAS	638,566	-
Other income	1,681	-
Interest income	-	10,244
Total Revenue and other income	**640,247**	**10,244**

6. EXPENSES

	30-Jun-18	30-Jun-17
Employee benefits expense		$
Salaries, wages & other employee benefits	-	1,758
Directors fees & other benefits	114,962	121,600
Total employee benefits expense	**114,962**	**123,358**
Administrative expenses		
Consulting & corporate expenses	2,561,760	3,043,177
Compliance & regulatory expenses	166,416	156,411
Commission expenses	300,237	-
Other Administrative expenses	1,235,111	1,556,673
Total administrative expense	**4,263,524**	**4,756,261**
Depreciation & amortisation		
Depreciation and amortisation of computer equipment and intangible assets	86,578	68,532
Total depreciation & amortisation	**86,578**	**69,532**
Finance Costs		
Interest expense	3,054	5,359
Total finance costs	**3,054**	**5,359**

6. EXPENSES (CONTD)

INCOME TAX EXPENSE

	30-Jun-18	30-Jun-17
Numerical reconciliation of income tax expense to prima facie tax payable:		$
Accounting loss before income tax	**(4,529,310)**	**(9,811,066)**
Prima facie tax payable on loss at 27.5% (2017: 30%)	**(1,245,560)**	**(2,943,320)**
Adjustments in respect of:		
Effect of lower tax rate – Foreign subsidiaries	**(292,972)**	(345,143)
Permanent differences	**129,600**	1,453,982
Net timing differences	**192,386**	38,009
Deferred tax assets on losses not recognised	**1,216,546**	1,796,472
Total income tax on operating loss	**-**	**-**
Unrecognised deferred tax assets and liabilities:		
Deferred tax assets not brought to account:		
Timing differences	**(1,134,605)**	383,945
Tax losses	**2,351,151**	1,412,527
	1,216,546	**1,796,472**

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits from.

The potential deferred tax assets will only be obtained if:

(iii) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;

(iv) The Company continues to comply with the conditions for deductibility imposed by the law; and

(v) No changes in tax legislation adversely affect the Company in realising the benefits.

Tax Losses

The Group has estimated tax losses for which no deferred tax asset is recognised in the statement of financial position of $1,216,546 (2017: $1,796,472) which are available indefinitely for offset against future taxable income subject to meeting the relevant statutory tests.

7. CASH & CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	30-Jun-18	30-Jun-17
		$
Cash at bank and in hand	446,331	4,582
	446,331	**4,582**

(b) Reconciliation of net loss after income tax to net cash flows used in operating activities

	30-Jun-18	30-Jun-17
		$
Net loss after income tax	(4,529,310)	(9,811,067)
Adjustments for:		
Depreciation & amortisation	86,578	69,532
Share-based payments & consideration for services	428,571	4,767,857
Foreign exchange adjustment	(70,325)	390,440
Finance costs	-	-
Gain on deconsolidation	-	-
InterCompany write off & Other expenses	-	-
Change in assets and liabilities		
Trade & other receivables	(49,084)	(606,608)
Trade & other payables	(481,882)	689,658
Other assets	18,433	43,475
Other liabilities	70,923	764,195
Net cash provided by (used in) operating activities	4,526,096	(3,692,518)

8. TRADE & OTHER RECEIVABLES

	30-Jun-18	30-Jun-17
		$
Trade receivables	795,084	767,993
Other receivables	95,264	76,165
	890,348	844,158

(a) Trade receivables past due but not impaired
There were no trade receivables past due but not impaired.

(b) Fair value and credit risk
Due to the short-term nature of these receivables, their carrying amount is assumed to be approximately their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 20 for more information on the risk management policy of the Company and the credit quality of the Company's trade receivables.

9. OTHER ASSETS

	30-Jun-18	30-Jun-17
		$
Prepayments	-	15,539
	-	15,539

10. PLANT & EQUIPMENT

	30-Jun-18	30-Jun-17
		$
Computer equipment		
At cost	109,996	41,269
Accumulated depreciation	(43,243)	(14,937)
Total Computer Equipment	66,753	26,332

	Computer Equipment	Total
	$	$
Carrying amount at 30 June 2016	**11,803**	**11,803**
Movement during the year		
Additions	24,130	24,130
Depreciation expense	(9,601)	(9,601)
Carrying amount at 30 June 2017	**26,332**	**26,332**
Additions	66,506	66,506
Depreciation expense	(26,085)	(26,085)
Carrying amount at 30 June 2018	**66,753**	**66,753**

11. INTANGIBLE ASSETS

	30-Jun-18	30-Jun-17
		$
Software and development – at cost	249,884	237,623
Less: Accumulated amortisation	(193,636)	(124,729)
	56,248	112,894
Movement:		
Balance at the beginning of the year	112,894	182,111
Additions	-	-
Amortisation expense	(63,449)	(66,723)
Translation difference	6,803	(2,494)
Balance at the end of the year	56,248	112,894

12. TRADE & OTHER PAYABLES

	30-Jun-18	30-Jun-17
	$	$
Trade payables	102,662	854,713
Other payables	533,190	263,022
	635,852	1,117,735

All trade & other payables are non-interest bearing and are normally settled on 30-day terms. Due to the short term nature of trade and other payable, their carrying value is assumed to approximate their fair value.

13. BORROWINGS

	30-Jun-18	30-Jun-17
	$	$
Loans	204,467	30,000
	204,467	**30,000**

14. OTHER LIABILITIES

	30-Jun-18	30-Jun-17
	$	$
Income invoiced in advance	835,033	764,194
	835,033	**764,194**

15. CONTRIBUTED EQUITY

Issued and fully paid

	30-Jun-18		30-Jun-17	
	No. of shares	$	No. of shares	$
Ordinary shares	**1,973,704,954**	**26,558,088**	1,522,871,577	21,698,203

Movements in ordinary share capital	30-Jun-18		30-Jun-17	
	No. of shares	$	No. of shares	$
a) **Ordinary Shares**				
At the beginning of the reporting period	1,522,871,578	21,698,203	1,189,814,327	16,386,067
Less:				
- Elimination of Existing TV2U Subsidiary shares			-	-
Add:				
- Existing TV2U shares on acquisition			-	-
Add shares issued during the period				
- Issue of share to settle debts			-	-
- Capital raising	105,000,000	1,501,500	78,610,005	1,021,930
- Issue of TV2U shares on acquisition of TV2U Subsidiary			-	-
- Share placement			-	-
Transaction costs relating to share issues		(354,785)	-	(125,020)
Share based payments			233,000,000	4,250,000
Share issued for convertible notes	345,833,376	3,713,169	21,447,245	165,226
At the end of the reporting period	1,973,704,954	26,558,087	1,522,871,577	21,698,203

The ordinary shares rank equally in all respects with all ordinary shares in the Company. The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at its registered office.

15. CONTRIBUTED EQUITY (CONT)

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules. Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote for any share held by the Shareholder.

Capital Risk Management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

Management effectively manages capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses may include the issue of new shares, return of capital to shareholders, the entering into of joint ventures and or the sale of assets.

The Company does not have a defined share buy-back plan. Management reviews management accounts on a monthly basis and regularly reviews actual expenditures against budget. The Group is not subject to externally imposed capital requirements.

Options on issue as at 30 June 2018

Class	Date of Expiry	Exercise Price	Number Under Option
Unlisted Options	31 December 2018	$0.03	31,687,500
Listed Options	30 March 2019	$0.04	351,413,781
			383,101,281

16. RESERVES

	30-Jun-18	30-Jun-17
	$	$
Share Based Payment Reserve	1,475,099	1,169,893
Foreign Currency Translation Reserve	224	67,509
	1,475,323	1,237,402
Movement reconciliation		
Share Based Payment Reserve		
Balance at the beginning of the year	1,169,893	863,950
Consideration options (i)		252,011
Performance rights (ii)	428,571	517,857
Expiry of options	(124,171)	(57,402)
Other reserves	-	-
Exchange difference on translation	806	(1,456)
Transfer to retained earnings	-	(405,067)
Balance at end of the year	1,475,099	1,169,893
Foreign Currency Translation Reserve		
Balance at the beginning of the year	67,509	(315,101)
Exchange difference on translation	(67,285)	382,610
Balance at end of the year	224	67,509

17A. SHARE BASED PAYMENTS

1) Options

All options granted are for ordinary shares in TV2U which confer a right of one ordinary share for every option held.

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised/ Expired during the period	Balance at end of the period	Vested & exercisable at end of the period
As at 30 June 2018							
Listed options							
31-May-16	30-Mar-19	$0.04	-	-	-		-
23-Dec-16	30-Mar-19	$.0.001	-	-	-		-
20-Jan-17	30-Mar-19	$0.13	-	-	-		-
20-Jan-17	30-Mar-19	$.0.001	332,183,012	19,230,769	-	351,413,781	-
Unlisted options							
09-Feb-16	31-Dec-18	$0.03	31,687,500	-	-	31,687,500	-
			363,870,512	**19,230,769**	**-**	**383,101,281**	**-**

2) Performance Rights

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
2016								
09-Feb-16*	09-Feb-18	Nil	89,285,715	-	-	89,285,715	-	-
09-Feb-16**	09-Feb-19	Nil	107,142,857	-	-	-	107,142,857	-
09-Feb-16***	09-Feb-20	Nil	142,857,143	-	-	-	142,857,143	-
09-Feb-16****	09-Feb-20	Nil	178,571,428	-	-	-	178,571,428	-
			517,857,143	-	-	89,285,715	428,571,428	-

*Class A Performance Shares – these performance shares will vest in the event that the earnings before interest, tax, depreciation and amortisation of TV2U and its subsidiaries (EBITDA) is greater than or equal to $5 million (in any rolling 12 month period) within two years of Settlement.

**Class B Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement.

***Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement.

****Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement.

17A. SHARE BASED PAYMENTS (CONT)

Due to these vesting conditions being dependent on certain production milestones being achieved, the Company has estimated the probability of the milestones being met.

Type	Shares/rights (No.)	Underlying share price	Probability	Value ($)
Class B	107,142,857	0.02	20%	428,571
Class C	142,857,143	0.02	20%	571,429
Class D	178,571,428	0.02	20%	714,286
	428,571,428			1,714,286

*The probability estimated by the management is over the expiry date of the performance shares.

18. ACCUMULATED LOSSES

Movement in accumulated losses were as follows:

	30-Jun-18	30-Jun-17
	$	$
Balance at 1 July	(23,844,029)	(14,495,432)
Net loss for the financial period	(4,529,310)	(9,811,066)
Expiry of options	124,171	57,402
Transfer from reserve	-	405,067
Balance at 30 June	(28,249,168)	(23,844,029)

19. EARNINGS PER SHARE

The calculation of basic loss per share at 30 June 2018 was based on the loss attributable to ordinary shareholders of $4,529,310 (2017: $9,811,066) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2018 of 1,744,831,526 (2017: 1,357,147,377) calculated as follows:

	30-Jun-18	30-Jun-17
Net loss attributable to ordinary equity holders of the Company ($)	(4,529,310)	(9,811,066)
Weighted average number of ordinary shares for basis per share (No.)	1,744,831,526	1,357,147,377
Continuing operations		
- Basic loss per share (cents)	(0.25)	(0.72)
Potential ordinary shares that are not dilutive and not used in the calculation of diluted EPS:	**2018 No.**	**2017 No.**
Share Options (No.)	383,101,371	363,870,512
Performance shares (No.)	428,571,428	517,857,143

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

At the reporting date, the Group had the following mix of financial assets and liabilities.

	30-Jun-18	30-Jun-17
	$	$
Financial Assets		
Cash & cash equivalents	446,331	4,582
Trade & other receivables	890,348	844,159
Total Financial Assets	1,336,679	848,741
Financial Liabilities		
Trade & other payables	(635,852)	(1,117,736)
Borrowings	(204,467)	(30,000)
Other liabilities	(835,033)	(764,195)
Total Financial Liabilities	(1,675,352)	(1,911,931)
Net exposure	(338,673)	(1,063,190)

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses
Interest Rate Risk

The Group's exposure to risks of changes in market interest rates relates primarily to the Group's cash balances. The Group constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Group has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

20. FINANCIAL RISK MANAGEMENT (CONT)

At reporting date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Effective Average Interest Rate	30-Jun-18	Effective Average Interest Rate	30-Jun-17
	%	$	%	$
Cash & cash equivalents	3.3%	446,331	0.87%	4,582

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June 2018, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity relating to financial assets of the Group would have been affected as follows:

	30-Jun-18	30-Jun-17
	$	$
Judgements of reasonably possible movements:		
Post tax loss – higher / (lower)		
+ 0.5%	22,317	-
- 0.5%	(22,317)	-
Equity – higher / (lower)		
+ 0.5%	22,317	-
- 0.5%	(22,317)	-

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financing loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Group's maximum exposure to credit risk. All receivables are due within 30 days and none are past due.

Cash

The Group's primary banker is National Australia Bank. The Board considers the use of this financial institution, which has a short term rating of A- from Standards and Poors to be sufficient in the management of credit risk with regards to these funds.

Trade & other receivables

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

20. FINANCIAL RISK MANAGEMENT (CONT)

Cash at bank and short-term bank deposits:

	30-Jun-18	30-Jun-17
	$	$
Standards & Poors rating		
A-	446,331	4,582

There are no significant concentrations of credit risk within the Group.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place other than the Convertible Notes to be authorised by shareholders at the EGM on 28 September 2017.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. Trade payables were non-interest bearing and were due within the normal 30-60 day terms of creditor payments.

The table below reflects the respective undiscounted cash flows for financial liabilities. The risk implied from the values shown in the table below reflects outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in the Company's on-going operations.

Contractual maturities of financial liabilities	<6 months	6 - 12 months	>12 months	Total Contractual Cash Flow	Carrying Amount
	$	$	$	$	$
30-Jun-18					
Trade & other payables	635,852	-	-	-	635,852
Borrowings	204,467	-	-	-	204,467
	840,319	-	-	-	**840,319**
30-Jun-17					
Trade & other payables	1,117,736	-	-	-	1,117,736
Borrowings	30,000	-	-	-	30,000
	1,147,736	**-**	**-**	**-**	**1,147,736**

21. RELATED PARTY DISCLOSURE

a) Equity interests

Name	Country of Incorporation	Equity Interest 30-Jun-18 %	Equity Interest 30-Jun-17 %
Cossack Investments Pty Ltd	Australia	100	100
TV2U Worldwide Pty Ltd	Australia	100	100
TV2U Singapore Pte Ltd	Singapore	100	100
Tara China Hong Kong Ltd	Hong Kong	100	100
Tara Singapore Pte Ltd	Singapore	100	100
Karaoke2u Pte Ltd	Singapore	100	100
Innovation2u Pte Ltd	Singapore	100	100
TV2U Australia Pty Ltd	Australia	50	50

b) Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

A Director, Nick Fitzgerald, is a Director in the firm Talico Technologies Pte Ltd. Talico Technologies Pte Ltd has provided consulting services to the Company during the current and previous financial year on normal commercial terms and conditions as follows:

	30-Jun-18	30-Jun-17
Talico Technologies Pte Ltd:	**$**	**$**
A firm which Director Nick Fitzgerald is a Director – Consulting services	350,000	300,000

c) Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2018 and 30 June 2017.

	30-Jun-18	30-Jun-17
	$	**$**
Compensation by category		
Short-term employee benefits	715,068	756,028
Post-employment benefits	-	-
	715,068	756,028

22. COMMITMENTS AND CONTINGENCIES

There are currently no contingent liabilities or contingent assets outstanding at the end of the current reporting year.

23. AUDITOR'S REMUNERATION

	30-Jun-18	30-Jun-17
	$	$
Amounts received or due and receivable		
(i) Audit of the financial report of the entity	27,500	45,000
(ii) Review of the financial report of the entity	20,000	20,187
(iii) Taxation, IPO and other services	-	22,590
	47,500	87,777

24. DIVIDENDS

No dividend was paid or declared by the Group in the period since the end of the financial year up to the date of this report. The Directors do not recommend that any amount to be paid by way of dividend for the financial year ended 30 June 2018.

25. PARENT ENTITY INFORMATION

a) Summary financial information

Financial Position

	Parent	
	30-Jun-18	30-Jun-17
	$	$
Assets		
Current assets	4,593,625	3,024,299
Non-current assets	80,022	35,802
Total assets	4,673,647	3,060,101
Liabilities		
Current liabilities	11,785,974	8,565,932
Total liabilities	11,785,974	8,565,932
Equity		
Issued capital	1,609	1,609
Reserves	-	-
Accumulated losses	(7,113,936)	(5,507,440)
Total equity	(7,112.327)	(5,505,831)

Financial Performance

	Parent	
Loss for the year	(1,603,892)	(1,577,505)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the year	(1,603,892)	(1,577,505)

b) Guarantees

The Company has not entered into any guarantees in relation to the debts of its subsidiaries.

c) Other Commitments and Contingencies

Other than disclosed in Note 22 above, the Company has no commitments to acquire property, plant and equipment, and has no contingent liabilities.

26. SUBSEQUENT EVENTS

On the 19th July 2018, the Company announced its successful commercial licencing agreement with Africa Enterprise Media Group (AEMG), the leading South African digital and broadcasting technology provider to launch and market its leading edge video content delivery platform under the brand name "TV2U Africa". A licencing agreement for its technology and brand assets to AEMG to enhance the full-service OTT streaming platform already offered to customers of AEMG in the region. The service will commence with 10,000 active subscribers being brought onto the new enhanced platform immediately upon commercialisation with a targeted 1 million paying subscribers in the first 12 months. AEMG have also been currently offered non-exclusive rights, subject to satisfactory performance, exclusive rights to take this platform to the rest of Africa and the Middle East. AEMG and TV2U will operate on a revenue share model and the agreement will initially run for a 36 month term with both parties agreeing to further extensions by mutual consent.

On the 27th August 2018, the Company announced that services with iStream and TV2U's IVAN-X content delivery platform had now entered its second phase of its product evolution following the full launch of ZEE BIOSKOP channel onto the platform. ZEE BIOSKOP, an India-based satellite television channel owned by ZEE Entertainment Enterprises broadcasts a 24-hour service and provides movies officially licenced from ZEE Cinema. The channel is also one of the most famous channels in Asia. Content includes Bollywood blockbuster movies and premium Indian TV series fully dubbed into the local language. ZEE is the first of what is expected to be several content offerings hosted on the iStream platform in Indonesia over the next 12 months. Indosat has an addressable market of 110 million subscribers. TV2U has negotiated a 50% net revenue share and is targeting 500,000 monthly subscribers within 1 year of operation assuming 0.5% (half of one percent) conversion rate of Indosat's addressable market, the Company is looking for revenues of USD $750,000 per month. Most would consider conservative. With organic growth of ZEE and further content offerings expected this monthly revenue will grow. Additional opportunities also exist through TV2U's analytics with targeted advertising monetisation.

On 17th September 2018, the Company announced that it had secured up to A$2,700,000 in funds through the issue of convertible securities (each, a Convertible Security) to Lind Asset Management XIII, LLC, an entity managed by The Lind Partners, LLC (together, Lind), a New York-based institutional investor.

Under the Convertible Security Funding Agreement (Agreement), A$1,500,000 is immediately available to TV2U, for which TV2U will issue Lind with a first Convertible Security (First Convertible Security), which will be used to support the ongoing roll-out of TV2U's platform and to meet working capital requirements. The Agreement provides for TV2U to request up to an additional A$1,200,000 (in three tranches of A$400,000 each) during the term of the Agreement through the issue of a second, third and fourth Convertible Security, subject to certain conditions having been met.

The First Convertible Security will have a face value of A$1,800,000 that will be repayable over 18 months, with an initial repayment holiday of 90 days. TV2U will make 15 monthly repayments of A$120,000 in either shares or cash (at TV2U's option). The monthly repayment amount in shares will be determined using 90% of the average of three daily VWAPs per share as selected by Lind during the 20 trading days preceding the monthly payment. The 15th and final payment is scheduled to take place in March 2020.

In respect of the First Convertible Security, TV2U will pay Lind a Commitment Fee of A$45,000 and on execution of the Agreement will issue Lind with 30,000,000 fully paid ordinary shares that will be credited or returned by the end of the Agreement and 62,500,000 unlisted options to purchase ordinary shares in TV2U with an exercise price equal to 130% of the average daily VWAP during the 20 trading days prior to execution of the Agreement, with an expiry date of 36 months after the date of issue.

While shareholder approval is not required for the funding of the First Convertible Security amount to proceed, the Agreement contains provisions requiring the approval of shareholders to refresh TV2U's placement capacity under Listing Rule 7.1.

26. SUBSEQUENT EVENTS (CONT)

On the 5th September 2018 the company issued Mr John Lewis, a former executive director 3,518,909 fully paid ordinary shares in the company in lieu of fees for services rendered.

The Directors of TV2U International Limited declare that, in their opinion:

(a) The financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:

   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and its performance for the year ended on that date.

(b) The financial statements and accompanying notes comply with International Financial Reporting Standards as disclosed in Note 2(b).

(c) As disclosed in 2(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

DAdams

David Adams
Executive Director
Perth, Western Australia
30 September 2018

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Independent Auditors' Report

To the members of TV2U International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of TV2U International Limited ("Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 1, which outlines that the going concern basis is dependent upon on the ability of TV2U International Limited to secure additional funding through either the issue of further convertible notes or equities.

As a result, there is material uncertainty related to events or conditions that may cast significant doubt TV2U International Limited's ability to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Emphasis of matter – Inherent uncertainty regarding continuation as a going concern section we have determined the matter described below to be a key audit matter to be communicated in our report.

Administrative Expenditure

Refer to Note 6, Administrative Expenditure ($4,263,524) and accounting policy Note 3.

Key Audit Matter	How our audit addressed the matter
TV2U International Limited and its controlled entities have a significant amount of administrative expenditure. Director fees, employee benefit expenses, and other administration expenses, collectively are a substantial figure in the financial statements of the Group, representing a significant portion of shareholder equity spent during the financial year. Given significance of the expenditure, we considered that the validity and accuracy of the recorded expenditures to be a key audit matter.	Our audit work included, but was not restricted to, the following: • We examined the Group's approval processes in relation to making payments to its suppliers and employees. • We selected a systematic sample of expenses using the dollar unit sampling method, and vouched each item selected to invoices and other supporting documentation. • We requested copies of service agreements with key management personnel of the Group during the financial year. • From those charged with governance of the Group we requested confirmations from all directors and other key management personnel of the Group during the financial year of their remuneration and any other transactions between them, their related parties and the Group. • We reviewed Board minutes of meetings held during the financial year.

Other Information

The directors are responsible for the other information. The other information comprises the Review of Operations and Directors Report and other information included in the Group's annual report for the year ended 30 June 2018 but does not include the financial report and our auditor's report thereon.

The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used in the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, used on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 24 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of TV2U International Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

PA Audit Pty Ltd

PA AUDIT PTY LTD

KATHAL SPENCE
MANAGING DIRECTOR

Perth
30 September 2018

a) Number of holders of each class of equity securities and the voting rights attached:

As at 30 September 2018 the equity securities are as follows:

Class of security	No. of Holders	Voting Rights Attached
Ordinary Shares (TV2)	2,670	Each shareholder is entitled to one vote per share held.
Listed Options (TV2O) ($0.04, 30/3/19)	808	There are no voting rights attached to these options.
Unlisted Options (TV2VENOPT) ($0.03, 31/12/18)	13	There are no voting rights attached to these options.
Unlisted Options (TV2O1) ($0.011, 18/09/21)	1	There are no voting rights attached to these options.

All ordinary shares carry one vote per share without restriction.

b) Distribution schedule of the number of holders in each listed class of equity security as at 30 September 2018:

	ORD Issued Capital	
Range of Holding	**No. of Shareholders**	**Percent of Issued Capital (%)**
1 – 1,000	303	0.00
1,001 – 5,000	92	0.01
5,001 – 10,000	43	0.02
10,001 – 100,000	921	2.37
100,001 and over	1,311	97.59
Total	**2,670**	**100.00**

c) Holders of non-marketable parcels:

Number of shareholders with less than a marketable parcel is 276.

	Listed Options ($0.04; 30 March 2019)	
Range of Holding	**No. of holders**	**Percent of Issued Capital (%)**
1 – 1,000	43	0.00
1,001 – 5,000	86	0.08
5,001 – 10,000	91	0.20
10,001 – 100,000	326	3.40
100,001 and over	262	96.32
Total	**808**	**100.00**

d) Twenty Largest Holders of Ordinary Shares:

No.	Name	No. of Shares	Percent of Issued Capital (%)
1	TALICO TECHNOLOGIES PTE LTD	303,571,428	14.93%
2	CANCUN TRADING PTY LTD	183,064,851	9.00%
3	MR NATHAN WAYNE MANNING	71,044,694	3.49%
4	MR TROY HARRIS	50,400,000	2.48%
5	CANCUN TRADING PTY LTD	44,151,991	2.17%
6	MR PASQUALE NERO & MRS KATHLEEN MARY NERO	30,000,000	1.48%
6	LIND ASSET MANAGEMENT XIII LLC	30,000,000	1.48%
7	MRS DIVYA JINDAL	25,678,701	1.26%
8	MRS JOANNA MILLIGAN & MR JOHN EDWIN MILLIGAN <TEAM ELITE SUPER FUND A/C>	24,529,625	1.21%
9	PASNER PTY LTD <THE NERO SUPER FUND A/C>	22,000,000	1.08%
10	MR RICHARD JOSEPH TEAGUE	21,525,000	1.06%
11	MR ZHIHAO LIANG	19,209,268	0.94%
12	TIFFANY AVE INVESTMENTS PTY LTD <CASPER SUPERFUND A/C>	15,003,997	0.74%
13	COMSEC NOMINEES PTY LIMITED	14,994,904	0.74%
14	DYNAMIK CAPITAL PTY LTD <DU FAMILY A/C>	14,640,000	0.72%
15	MRS KELLIE-ANNE EILEEN SANAJKO & MR BENJAMIN CROSBIE O'CONNOR <B AND K O'CONNOR FAMILY A/C>	12,000,000	0.59%
16	MR BENJAMIN JOHN CAMPBELL	11,365,055	0.56%
17	MR JAMES ANTHONY O'BRIEN	10,301,649	0.51%
18	MR PENGTAO SHI	10,000,000	0.49%
18	MR BOJAN KLIMESKI	10,000,000	0.49%
18	MR NING ZHANG	10,000,000	0.49%
18	MCCONVILLE HOLDINGS PTY LTD <THE MCCONVILLE A/C>	10,000,000	0.49%
19	H E 2 HOLDINGS PTY LTD	9,400,000	0.46%
19	MR VIET TU NGUYEN	9,400,000	0.46%
20	MR CHEN LIU	8,535,000	0.42%
	Total	**970,816,163**	**47.74%**

e) Substantial shareholders of ordinary fully paid shares:

Name	No. of Shares	Percent of Issued Capital (%)
Talico Technologies Pte Ltd	303,571,428	14.93
Cancun Trading Pty Ltd	227,216,842	11.17

f) Twenty Largest Holders of Listed Options:

No	Holder Name	Holding	% IC
1	MR XIAOLIN WANG	27,000,000	7.68%
2	H E 2 HOLDINGS PTY LTD	26,000,000	7.40%
3	JOLLY DAYS PTY LTD <THE K & J DAY A/C>	18,234,381	5.19%
4	HNR INVESTMENTS PTY LTD <HOWARD RANKINE FAMILY A/C>	14,097,050	4.01%
5	DR MOHAMMAD ISTIAQ AZIM	10,000,000	2.85%
6	MR ZHIHAO LIANG	8,190,000	2.33%
7	MR PETER BUCHANAN STEVENSON	8,029,207	2.28%
8	MR ADAM NORMAN CHARLEY	8,000,000	2.28%
9	MR DANIEL AARON HYLTON TUCKETT	6,192,072	1.76%
10	MR PETER DAWSON & MRS MOIRA JANE DAWSON	5,980,000	1.70%
11	HNR INVESTMENTS PTY LTD <HOWARD RANKINE FAMILY A/C>	5,743,750	1.63%
12	MRS DIVYA JINDAL	5,581,550	1.59%
13	MR KEVIN JOHN DAY	5,513,357	1.57%
14	RJD INVESTMENTS PTY LTD <RJD SUPER FUND A/C>	5,000,000	1.42%
15	MR PETER JOHN SYMONS	4,897,000	1.39%
16	MR DANNY ZHONG DAI CHEN	4,000,000	1.14%
16	STEWART C&H SUPER PTY LTD <STEWART C&H SUPER FUND A/C>	4,000,000	1.14%
17	MR KERRY NORMAN BIGNELL	3,774,176	1.07%
18	JFM ADMINISTRATION PTY LTD <J F MULLER A/C>	3,636,982	1.04%
19	MR ASHLEY VICTOR MOGENSEN & MRS MICHELLE DIANNE MOGENSEN <MOGENSEN SUPER FUND A/C>	3,500,000	1.00%
20	MR GEORGE KOULOURIS	3,334,293	0.95%
	Total	**180,703,818**	**51.42%**

g) Unquoted equity securities

The unlisted securities of the Company as at 30 September 2018 are as follows. The options do not carry a right to vote at a general meeting of shareholders.

Unlisted Options

Issue Date	Expiry Date	Exercise Price	No. of Options	No. of Holders
3 February 2016	31 December 2018	$0.03	31,687,500	7
18 September 2018	18 September 2021	$0.011	62,500,000	1

Performance Shares

At the date of this report, performance shares on issue are as follows:

Class	Date Granted	Issue price of shares	Expiry Date	Number
B	9 February 2016	Nil	9 February 2019	107,142,857
C	9 February 2016	Nil	9 February 2020	142,857,143
D	9 February 2016	Nil	9 February 2020	178,571,428

Class B Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement

Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement

Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement

h) On Market Buy-Back

There is currently no on market buy-back.

i) Restricted securities subject to escrow

Not applicable.

j) Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets it had acquired at the time of admission and for the period ended 30 June 2018 in a way that is consistent with its business objective and strategy.