BKM MANAGEMENT LIMITED

Annual Financial Report

For The Year Ended 30 June 2013

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Director's Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of BKM Management Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2013.

Directors
The following persons were directors of BKM Management Limited during the financial year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Name	Position
Mr. Alvin Tan	Chairman
Mr. Evan McGregor	Non-Executive Director
Mr. Phillip Hains	Non-Executive Director (Appointed 7th December 2012)
Mr. Michael Sim	Non-Executive Director (Resigned 7th December 2012)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:

- The operation of modeling agencies in Australia
- Investment in an oil trading business in Singapore

There have been no significant changes in the nature of those principle activities during the financial year.

Dividends
There were no dividends paid or declared during the current or previous financial year.

Review of operations
The 2013 financial year has been a year of consolidation for BKM Management Limited.

At the Corporate level the Board reviewed and considered a number of alternative projects to strengthen the company, eventually agreeing to proceed with a prospective graphite project from the Lymex group. While a Shareholders meeting had been scheduled in September to consider the transaction, the vendors withdrew from the binding heads of agreement at the last moment putting an end to that proposed acquisition.

In December some convertible note holders elected to convert their notes to equity thereby reducing debt and increasing equity.

At the Scene business level, as a result of the general slowdown in retail activity in the Australian economy, turnover has reduced significantly during the year from $2.05m to $1.35m. This reduction has resulted in a trading loss for the company, and for the Consolidated Entity. The Melbourne branch of Scene faced turnover of some key personnel due to the more challenging operating conditions. Management is reviewing the Melbourne business to maximise benefit to the company. The board has also been engaged with a number of parties during the year who have expressed interest in the Scene business and its development, the discussions are ongoing.

The Board has continued to monitor the investment in IGC Asia Pte Ltd (IGC). Last year IGC underwent a strategic and operational restructure to become more market competitive. As a result of the changes the operations are looking more promising and the BKM Board believes this investment could be a more important part of the future operations of BKM, subject to further improvements and negotiations. The Board is working with its joint venture partners with the aim of securing additional interests in the oil and gas space for IGC.

The Board is continuing to seek viable projects to improve current operations or embark on new activities. Since the end of the financial year the Board undertook a placement of $150k @ $0.003 to provide working capital.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

24th September 2013 – BKM Management Limited released an Appendix 3B to announce the issue of equity through a private placement to Presage Resources Pte Ltd that raised $150,000.

Likely developments and expected results of operations

Outlook

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

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

Forward-looking statements

This report may contain forward-looking statements regarding the potential of the consolidated entity's projects and interests. Any statement describing a goal, expectation, intention or belief of the company is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Alvin Tan
Title:	Chairman
Appointed Chairman:	1st October 2010
Re-elected as Chairman:	26th November 2010
Qualifications:	Bachelor of Commerce (with honors)
Experience and expertise:	Alvin has a wide range of experience in investment markets in Australia and overseas. He has worked with KPMG Peat Marwick in Kuala Lumpur and has been an investment advisor in the Asia-Pacific equity markets for DJ Carmichael Pty Ltd.
Former Directorships (last 3 years):	Mr Tan is also a director of Coral Sea Petroleum Limited (formally Orchid Capital Limited since 2000) and Advanced Share Registry Limited (since 2007). Former directorships in other listed entities in past 3 years are: Alloy Steel International Inc (USA listed, 6 April 2010 to 4 August 2010).
Special Responsibilities:	None
Interest in Shares:	11,600,000 Ordinary Shares
Interest in Options:	None

Name:	Evan McGregor
Title:	Non-Executive Director
Appointed to the Board:	7th March 2002
Re-elected to the Board:	25th November 2011
Qualifications:	B.Sc and B.Econ
Experience and expertise:	Evan has a wide range and depth of business development skills from his many years of involvement with small emerging listed companies. He has worked at a senior level in large organisations and his specialties include strategic analysis, negotiations and corporate and financial management.
Former Directorships (last 3 years):	None
Special Responsibilities:	None
Interest in Shares:	60,660,753 Ordinary Shares
Interest in Options:	None

Name:	Phillip Hains
Title:	Non-Executive Director and Company Secretary
Appointed to the Board:	7th December 2012
Re-elected to the Board:	None
Qualifications:	Masters of Business Administration from RMIT and a Public Practice Certificate from the Institute of Chartered Accountants.
Experience and expertise:	Phillip Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Phillip serves the needs of a number of company boards and their related committees. He has over 20 years' experience in providing businesses with accounting, administration, compliance and general management services.
Former Directorships (last 3 years):	Former directorships in other listed entities in past 3 years are: West Wits Mining Limited [ASX:WWI] (1 February 2011 to 9 May 2013) Mining Projects Group Limited [ASX:MPJ] (25 January 2012 to 28 March 2013)
Special Responsibilities:	Company Secretary
Interest in Shares:	10,858,315 Ordinary Shares
Interest in Options:	None

Name:	Michael Sim (Resigned 7th December 2012)
Title:	Non-Executive Director
Appointed to the Board:	1st October 2010
Re-elected to the Board:	None
Qualifications:	Bachelor of Science (with honors) and Master of Business Administration
Experience and expertise:	Michael joined IGC Asia Pte Ltd as Chief Executive Officer in January 2007 to lead and develop the trading of petroleum products. He has been in the oil trading business for over 12 years, starting with Exxon, then starting the Crown resources AG Singapore trading office for the Russian conglomerate, Alfa Group in I 999. Subsequently he moved on to trade at Noble Group, Petrochina and ABN Amro. He brings the entire spectrum of refinery, trading and logistics experience to the company.
Former Directorships (last 3 years):	None
Special Responsibilities:	None
Interest in Shares:	1,866,902 Ordinary Shares
Interest in Options:	None

Company secretary
Phillip Hains
Refer to information on directors, page 6 for details.

Meetings of directors
The number of meetings of the company's Board of Directors held during the year ended 30 June 2013, and the number of meetings attended by each director were:

	Full Board	
	Attended	**Held**
Alvin Tan	7	7
Evan McGregor	7	7
Phillip Hains (Appointed 7th December 2012)	3	3
Michael Sim (Resigned 7th December 2012)	4	4

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation

A Principles used to determine the nature and amount of remuneration
Remuneration of all Executive and Non-Executive Directors, Officers and Employees is determined by the Board of Directors ('Board').

The consolidated entity is committed to remunerating senior executives and executive directors in a manner that is market-competitive and consistent with 'Best Practice' including the interests of shareholders. Remuneration packages are based on fixed and variable components, determined by the executives' position, experience and performance, and may be satisfied via cash or equity.

Non-Executive directors are remunerated out of the maximum aggregate amount approved by shareholders and at a level that is consistent with industry standards rather than company performance. Director remuneration takes into account the risk and liabilities assumed by the Directors and Executives as a result of their involvement in the speculative activities undertaken by the Company.

Remuneration policy versus financial performance
The consolidated entity's primary focus is the acquisition of new investment opportunities and streamlining or enhancing the existing investments held.

The consolidated entity envisages its performance in terms of earnings will remain negative whilst the consolidated entity continues this transformation process.

Performance income as a proportion of total remuneration
All executives are eligible to receive incentives whether through employment contracts or by the recommendation of the Board. Their performance payments are based on a set monetary value, set number of shares or options or as a portion of base salary. Therefore there is no fixed proportion between incentive and non-incentive remuneration as the payment of performance income is discretionary.

Performance based remuneration
The purpose of a performance bonus is to reward individual performance in line with the consolidated entity's objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the consolidated entity. This is regularly measured in respect of performance against key performance indicators ('KPI's').

The consolidated entity uses a variety of KPI's to determine achievement, depending on the role of the executive being assessed. These include:
- Successful contract negotiations; and
- Improved performance within a division

There was no performance based remuneration under the employment contracts of Directors and Key Management Personnel paid during the financial year (2012: Nil).

B Details of remuneration

Amounts of remuneration Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and specified executives of BKM Management Limited are set out in the following tables.

The key management personnel of the consolidated entity consisted of the directors of BKM Management Limited and the following executives:

- Anthony Harden - State Manager - Western Australia

	30-June-2013 $	30-June-2012 $
Short-term benefits		
Directors:		
Alvin Tan	47,545	-
Evan McGregor	36,000	-
Phillip Hains*	60,000**	-
Michael Sim	-	-
Other Key Management:		
Anthony Harden	70,000	78,109
Phillip Hains*	40,000**	72,500**
	253,545	**150,609**

*Phillip Hains was appointed a Director on 7th December 2013
**Fees received by The CFO Solution for services rendered to BKM Management Limited
Directors waived $100,000 of accrued Director fees for the Financial Year 2012.

C Service agreements

No director is under a written employment contract.

D Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2013.

Options

There were no options issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2013.

There were no options granted to or exercised by directors and other key management personnel as part of compensation during the year ended 30 June 2013.

This concludes the remuneration report, which has been audited.

Shares under option
There were no options outstanding as at 30 June 2013.

Shares issued on the exercise of options
There were no shares of BKM Management Limited issued on the exercise of options during the year ended 30 June 2013.

Indemnity and insurance of officers
The company has entered into an Officer's Protection Deed with each of the directors to indemnify each of them against any liability that may be incurred in relation to their duties as an officer of the company to the extent permitted by the law. This indemnification continues for 7 years after termination of the directorship.

The company has not otherwise, during or since the financial year, paid a premium in respect of a contract to insure the directors and officers of the company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor
The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former audit partners of William Buck Audit (VIC) Pty Ltd
There are no officers of the company who are former audit partners of William Buck Audit (VIC) Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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.

Mr. Alvin Tan
Non-Executive Chairman

Monday, 30th September 2013

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2013 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 30th day of September, 2013

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

Melbourne: Level 20, 181 William Street, Melbourne VIC 3000 | **Hawthorn:** Level 1, 465 Auburn Road, Hawthorn East VIC 3123
PO Box 185, Toorak VIC 3142 • Telephone: +61 3 9824 8555 • Facsimile: +61 3 9824 8580
williambuck.com

Corporate Governance Statement

The company is committed to implementing the highest standards of corporate governance. In determining what those standards should involve, the consolidated entity has considered the ASX Corporate Governance Council's ('the Council') Corporate Governance Principles and Recommendations.

A review of the company's 'Corporate Governance Framework' is performed on a periodic basis to ensure that it is relevant and effective in light of changing legal and regulatory requirements. The Board of Directors ('the Board') continues to adopt a set of Corporate Governance Practices and a Code of Conduct appropriate for the size, complexity and operations of the company and its subsidiaries.

Where the company's corporate governance practices do not correlate with the practices recommended by the Council, the company has states that fact and has set out a mandate for future compliance when the size of the consolidated entity and the scale of its operations warrants the introduction of those recommendations. All Charters and Policies are available from the company.

To illustrate where the company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation, but rather the topic covered. The full details of each recommendation can be found on the ASX Corporate Governance Council's website.

Recommendation	Section
1.1 Functions of the Board and Management	1.1
1.2 Senior Executive Evaluation	1.4.10
1.3 Reporting on Principle 1	1.1; 1.4.10
2.1 Independent Directors	1.2
2.2 Independent Chair	1.2
2.3 Role of the Chair and CEO	1.2
2.4 Establishment of Nomination Committee	2.2
2.5 Board and Individual Director Evaluation	1.4.10
2.6 Reporting on Principle 2	1.2; 1.4.10; 2.2.2 and Directors' Report
3.1 Code of Conduct	3.1
3.2 Company Securities Trading Policy	1.4.9
3.3 Reporting on Principle 3	3.1
4.1 Audit, Risk and Compliance Policies	2.1
4.2 Structure of Audit Committee	2.1.2
4.3 Audit Committee Charter	2.1
4.4 Reporting on Principle 4	2.1
5.1 Policy for Compliance with Continuous Disclosure	1.4.4
5.2 Reporting on Principle 5	1.4.4
6.1 Communications Policy	1.4.8
6.2 Reporting on Principle 6	1.4.8
7.1 Policies on Risk Oversight and Management	2.1.3
7.2 Risk Management Report	1.4.12
7.3 CEO and CFO Assurance	1.4.11
7.4 Reporting on Principle 7	1.4.11; 1.4.12; 2.1.3
8.1 Establishment of Remuneration Committee	2.2
8.2 Executive and Non-Executive Director Remuneration	2.2.4.1; 2.2.4.2
8.3 Reporting on Principle 8	2.2; 2.2.4.1; 2.2.4.2

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interest of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

To assist the Board carry out its functions, it has a Code of Conduct in place to guide Directors, the Chief Executive Officer, the Chief Financial Officer and other senior executives and employees in the performance of their roles.

1.2 Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated in the Directors' Report under the section headed 'Information on Directors' along with the term of office held by each of the Directors.

The Board believes that the interests of all Shareholders are best served by:

- Directors having the appropriate skills, experience and contacts within the Company's industry;
- The Company striving to have a number of Directors being independent; and
- Some major Shareholders being represented on the Board.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Further, the Company also recognises the importance of Independent Directors in ensuring shareholders that the Board is properly fulfilling its role.

The Company considers a Non-Executive Director to be independent when they are not a substantial shareholder of the Company or an associate of a substantial holder of the Company or have any other material interest and within the past three years has not been employed in an executive capacity by the Company (or subsidiary) and is free from any business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Company and shareholders.

The Company believes that at this stage in its development, the most appropriate person for the position of Chairman is an Executive Officer of the Company. The Executive Officer's overall expertise has been crucial to the Company's development and negates any perceived lack of independence.

1.3 Responsibility of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the consolidated entity.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

1. *Leadership of the Organisation*: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.

2. *Strategy Formulation*: to set and review the overall strategy and goals for the Company and ensure that there are policies in place to govern the operation of the consolidated entity.

3. *Overseeing Planning Activities*: overseeing the development of the Company's strategic plan and approving that plan as well as the annual and long term budgets.

4. *Shareholder Liaison*: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings.

5. *Monitoring, Compliance and Risk Management*: overseeing the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operation performance of the Company.

6. *Company Finances:* approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.

7. *Human Resources:* appointing, and, where appropriate, removing the Executive Officers as well as reviewing the performance of the Chief Executive Officer and monitoring the performance of senior management in their implementation of Company's strategy.

8. *Ensuring the Health, Safety and Well-Being of Employees*: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.

9. *Delegation of Authority*: delegating appropriate powers to executives of the Company to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

10. *Audit, Risk and Compliance Policy*: assisting the Board in fulfilling its responsibilities in respect of establishing an oversight and management of risk within the Company.

11. *Remuneration and Nomination Policy*: assisting the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees and achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Company's registered office.

1.4 Board Policies
1.4.1 Conflicts of Interest
Directors must:
- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments
Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality
In accordance with legal requirement and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure
The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and

2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company also posts all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

1.4.5 Education and Induction
It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Information conveyed to new Directors includes:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements;
- a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- an analysis of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

1.4.6 Independent Professional Advice
The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions
Related party transactions include any financial transaction between a Director and the Company and will be reported in writing at each Board meeting. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication
The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company entity is committed to:

1. communicating effectively with shareholders through releases to the market via the ASX and the general meetings of the Company;
2. giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
3. making it easy for shareholders to participate in general meetings of the Company; and
4. requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Shareholders are also able to ring the registered office of the Company to make enquiries of the Company or obtain updated announcements via the ASX website (www.asx.com.au) and the Company's website (www.bkmmanagement.com).

Information is communicated to shareholders through:

- the annual report which is published on the Company's website and distributed to shareholders where specifically requested;
- the half-year shareholder's report which is published on the Company's website and distributed to shareholders where specifically requested, containing summarised financial information and a review of the operations during the period since the annual report; and
- other correspondence regarding matters impacting on shareholders as required.

1.4.9 Trading in the Consolidated Entity's Shares
The Company has a Share Trading Policy which states that Directors, members of senior management, certain other employees and their associates likely to be in possession of unpublished price sensitive information may not trade in the Company's securities prior to that unpublished price sensitive information being released to the market via the ASX. Unpublished price sensitive information is information regarding the Company, of which the market is not aware, that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

1.4.10 Performance Review/Evaluation
A 'Performance Evaluation Policy' has been established to evaluate the performance of the Board, individual Directors and Executive Officers of the Company. The Board is responsible for conducting evaluations on an annual basis in line with these policy guidelines.

During the reporting period, the Board conducted individual and group performance evaluations on an informal basis which provided the Board with valuable feedback for future development.

Further information on policies and procedures established to evaluate the performance of the Board are set out in the Director's Report under the section headed 'Remuneration Report'.

1.4.11 Attestations by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)
In accordance with the Board's policy, the CEO and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report.

1.4.12 Risk Management Accountability
As part of the process of approving the financial statements, at each reporting date the CEO and other responsible senior executives provide statements in writing to the Board on the quality and effectiveness of the Company's risk management and internal compliance and control systems.

2. Board Committees

2.1 Audit, Risk and Compliance Committee (Full Board)
2.1.1 Role
The role of an Audit, Risk & Compliance Committee is to assist the Board in fulfilling its responsibilities in respect of establishing an oversight and management of risk within the Company.

2.1.2 Composition
Due to the size of the Company's operations, it does not have a Audit, Risk and Compliance Committee. It is deemed to be more efficient to have the full Board consider the areas of Audit, Risk and Compliance.

2.1.3 Responsibilities
The Audit Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements before submission to the Board and recommends their approval.

The Audit Committee also recommends to the Board the appointment of the external auditor each year, reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

The Audit Committee is also responsible for establishing policies on risk oversight and management.

2.2 Remuneration and Nomination Committee (Full Board)
2.2.1 Role
The role of a Remuneration and Nomination Committee ('Remuneration Committee') is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees and achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

2.2.2 Composition
Due to the size of the Company's operations, it does not have a Remuneration and Nomination Committee. It is deemed to be more efficient to have the full Board consider membership nominations and configuration.

2.2.3 Responsibilities
The Board's responsibilities include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive and making recommendations to the Board on any proposed changes and undertake a review of the CEO's performance, including, setting with the CEO goals for the coming year and reviewing progress in achieving those goals.

The Nomination duties include devising criteria for Board membership, regularly reviewing the structure of the Board and identifying specific individuals for nomination/removal as Directors for review by the Board. Further responsibilities include overseeing management succession plans including the CEO and their direct reports and evaluation of the Board's performance.

2.2.4 Remuneration Policy
The Remuneration Report includes further details on the Company's remuneration policy and its relationship to the Company's performance last year. It also includes details of the remuneration of Directors and senior executives last year. Shareholders are invited to vote on the adoption of the report at the Company's annual general meeting.

2.2.4.1 Senior Executive Remuneration Policy
The Company is committed to remunerating its senior executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders. Under the senior executive remuneration policy, remuneration of senior executives may comprise of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in the share/option scheme with thresholds approved by shareholders; and
- statutory superannuation.

The Company aims to align the interests of senior executives with those of shareholders by remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration.

2.2.4.2 Non-Executive Director Remuneration Policy
Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company without prior shareholder approval.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

3. Interests of Stakeholders

3.1 Company Code of Conduct
As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This code includes the following:

Responsibilities to Shareholders and the Financial Community Generally
The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers
The Company has an obligation to use its best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers and is committed to providing clients, customers and consumers with fair value.

Employment Practices
The Company endeavors to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

Obligations Relative to Fair Trading and Dealing
The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws and strives to deal fairly with the Company's customers, suppliers and competitors and encourages its employees to strive to do the same.

Responsibilities to the Community and to Individuals
As part of the community the Company is committed to conducting its business in accordance with applicable environmental laws and regulations and supports community charities.

The Company is committed to keeping private information from employees, clients, customers, consumers and investors confidential and protected from uses other than those for which it was provided.

Conflicts of Interest
Directors and employees must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

How the Company Complies with Legislation Affecting its Operations
Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

How the Company Monitors and Ensures Compliance with its Code
The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2013

	Note	30-June-2013 $	30-June-2012 $
Revenue from Ordinary Activities	4	1,357,098	2,057,096
Corporate Administration Expenses		(241,592)	(258,277)
Due Diligence Transaction Costs		(80,335)	-
Employment and Consulting Fees		(428,358)	(271,307)
Finance Costs		(12,623)	(80,571)
Impairment Expenses		-	(630,711)
Loss on Sale of Assets		-	(231)
Model and Talent Costs		(1,018,164)	(1,437,008)
Occupancy Costs		(74,700)	(70,645)
Loss Before Income Tax		**(498,674)**	**(691,654)**
Income Tax Expense	6	-	-
Loss After Income Tax for the Period		**(498,674)**	**(691,654)**
Other Comprehensive income for the Period, Net of Tax		-	-
Total Comprehensive Income for the Period		**(498,674)**	**(691,654)**
Loss for the Year is Attributable to:			
Owners of the BKM Management Limited		(472,715)	(696,049)
Non-Controlling Interests		(25,959)	4,395
		(498,674)	**(691,654)**
Total Comprehensive Income Attributable to:			
Owners of the BKM Management Limited		(472,715)	(696,049)
Non-Controlling Interests		(25,959)	4,395
		(498,674)	**(691,654)**

		Cents	Cents
Loss per share for loss from attributable to the ordinary equity holders of the company:			
Basic earnings per share	28	(0.05)	(0.09)
Diluted earnings per share	28	(0.05)	(0.09)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2013

	Note	30-June-2013 $	30-June-2012 $
Assets			
Current Assets			
Cash and Cash Equivalents	7	268,279	306,319
Trade and Other Receivables	8	106,355	206,003
Other	9	2,655	2,236
Total Current Assets		**377,289**	**514,558**
Non-Current Assets			
Other Financial Assets	12	417,756	417,756
Plant and Equipment	10	11,159	4,666
Intangibles	11	49,878	49,878
Total Non-Current Assets		**478,793**	**472,300**
TOTAL ASSETS		**856,082**	**986,858**
Current Liabilities			
Trade and Other Payables	13	785,471	655,503
Borrowings	14	123,970	416,970
Employee Benefits	15	25,972	20,911
Total Current Liabilities		**935,413**	**1,093,384**
Non-Current Liabilities			
Employee Benefits	16	37,937	34,483
Total Non-Current Liabilities		**37,937**	**34,483**
TOTAL LIABILITIES		**973,350**	**1,127,867**
NET ASSETS/(LIABILITIES)		**(117,268)**	**(141,009)**
Equity			
Issued Capital	17	26,667,747	26,145,332
Retained Profits		(26,754,062)	(26,281,347)
Parent Entity Interest		(86,315)	(136,015)
Non-Controlling Interest		(30,953)	(4,994)
TOTAL EQUITY		**(117,268)**	**(141,009)**

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2013

Economic Entity	Share capital $	Retained Earnings $	Non-controlling interests $	Total $
Balance as 30 June 2011	**25,113,948**	**(25,585,298)**	**(9,389)**	**(480,739)**
Profit/(Loss) for the period		(696,049)	4,395	(691,654)
Total comprehensive income for the period	-	**(696,049)**	**4,395**	**(691,654)**
Transactions with owners in their capacity as owners:				
Shares Issued Net of Costs	1,031,384	-	-	1,031,384
Balance at 30 June 2012	**26,145,332**	**(26,281,347)**	**(4,994)**	**(141,009)**
Profit/(Loss) for the period		(472,715)	(25,959)	(498,674)
Total comprehensive expense for the period	-	**(472,715)**	**(25,959)**	**(498,674)**
Transactions with owners in their capacity as owners:				
Shares Issued Net of Costs	522,415	-	-	522,415
Balance at 30 June 2013	**26,667,747**	**(26,754,062)**	**(30,953)**	**(117,268)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2013

	Note	30-June-2013 $	30-June-2012 $
Cash Flows Related To Operating Activities			
Receipts from Customers		1,465,272	2,011,624
Payments to Suppliers and Employees		(1,668,964)	(2,070,288)
Interest Received		2,630	4,894
NET OPERATING CASH OUTFLOWS	27	**(201,062)**	**(53,770)**
Cash Flows Related to Investing Activities			
Payment for purchases of plant and equipment		(9,197)	(2,727)
NET INVESTING CASH OUTFLOWS		**(9,197)**	**(2,727)**
Cash Flows Related to Financing Activities			
Proceeds from issues of securities		208,500	-
Capital raising costs		(6,281)	(4,995)
Repayment of borrowings		(30,000)	-
NET FINANCING CASH INFLOWS		**172,219**	**(4,995)**
Net Increase/(Decrease) in Cash and Cash Equivalents		(38,040)	(61,492)
Cash and Cash Equivalents at the Beginning of the Period		306,319	367,811
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	**268,279**	**306,319**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1: Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity 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 consolidated entity as described below.

There are a number of Australian Accounting Standards that have been issued or amended and which are applicable to the economic entity but are not yet effective, and have not been adopted in the preparation of the financial statements at reporting date. Refer to page 25 for detailed information on amendments to accounting standards. Having considered each of the new reporting requirements, but without detailing same herein, the economic entity does not anticipate early adoption of any of such requirements and does not expect them to have any material effect on its future financial statements other than additional disclosure around financial instrument and minor changes in presentation.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Going concern

As at 30 June 2013, the consolidated entity incurred an operating loss of $498,674 (2012:$691,654) and net liabilities were $117,268 (2012: net liabilities $141,009). The consolidated entity's cash position has decreased to $268,279 from $306,319 at June 2012.

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

- The directors are in the process of issuing shares through a private placement to provide working capital to the consolidated entity, the issue will raise an immediate $150,000 with a further $330,000 over the next two months;
- The balance of unsecured convertible notes of $61,500 is classified under current borrowings. It is expected that the balance of convertible notes expiring during the next twelve months may be redeemed and converted into equity in accordance with the note agreement;
- The trade and other payables balance as at 30 June 2013 contains accrued directors fees of $123,060 (June 2012:$25,060) and related party payables for director controlled entities of $283,935 (June 2012: $164,600). Of these amounts $107,970 (June 2012:$164,600) is subject to an undertaking has been provided to the consolidated entity by the directors that repayments of these amounts, and future director fees, will only be demanded in the event that the consolidated entity has sufficient cash flows available;
- The Directors have the capacity to issue additional securities with shareholder approval;
- The consolidated entity has the ability to scale down its operations sufficiently should the above not occur.

The Directors have agreed to provide financing of working capital of the consolidated entity to the extent of ensuring it can pay its debts as and when they become due and payable for a period of one year from signing this financial report.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Reporting Basis and Conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001 , these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BKM Management Limited ('company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries and special purpose entities for the year then ended. BKM Management Limited, its subsidiaries and special purpose entities together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the equity and result of the controlled entities are shown as a separate item in the consolidated financial report. The non-controlling interests in net assets comprise of their interests at the date of the original business combinations and their share of changes in equity since that date.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards to the customer and the cessation of all involvement in those goods. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Rendering of services revenue is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably.

Stage of completion is measured by reference to the services performed to date as a percentage of the total anticipated services to be performed. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest
Interest 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.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and under and over provision in prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at the end of each reporting period. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets

Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

On initial recognition the consolidated entity measures its financial assets at fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs on financial assets carried at fair value through profit or loss are expensed as incurred.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are subsequently carried at fair value, and are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are subsequently carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of properly, plant and equipment over their expected useful lives as follows:

Plant and equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Goodwill
Where an entity or operation is acquired in a business combination, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the end of the reporting period are recognised in current liabilities in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Issued capital

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of BKM Management Limited, 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 financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Amendments to Accounting Standards

No new accounting standards came into effect in the current year that are considered relevant to the consolidated entity.

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and therefore have not been adopted by the consolidated entity for the annual reporting period ended 30 June 2013.

- AASB 9: Financial Instruments (December 2010) and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) AASB 2010-7: (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  These standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued in September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015.

  In light of this change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 30 June 2016. The directors anticipate that the adoption of AASB 9 and AASB 2010-7 not have a significant impact on the Group's financial instruments.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements [August 2011], AASB 128: Investments in Associates and Joint Ventures [August 2011] (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127 [March 2008, as amended] and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either 'joint operations' (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures' (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a 'structured entity', replacing the 'special purpose entity' concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

These Standards are not expected to significantly impact the Group's financial statements.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013)

  This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paragraphs Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

  This Standard is not expected to significantly impact the Group's financial report because the Corporations Legislation Amendment Regulation 2013 (No. A) proposes to include the requirements in AASB 124 that will be deleted by AASB 2011-4 in the Corporations Regulations.

- AASB 119: Employee Benefits [September 2011] and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013)

  These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

  AASB 119 [September 2011] also includes changes to:

  (a) require only those benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits , as appropriate; and

  (b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

  (i) for an offer that may be withdrawn – when the employee accepts;
  (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
  (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

  These Standards are not expected to significantly impact the Group's financial statements.

- AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (applicable for annual reporting periods commencing on or after 1 January 2014)

This Amending Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] (applicable for annual reporting periods commencing on or after 1 January 2013)

  AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

  This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASBs 1, 101, 116, 132 & 134 and Interpretation 2] (applicable for annual reporting periods commencing on or after 1 January 2013)

  This Amending Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009-2011 Cycle by the International Accounting Standards Board, including:

  - AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
  - AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
  - AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
  - AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
  - AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

  This Standard is not expected to significantly impact the Group's financial statements.

These Standards and Interpretations will be first applied in the financial report of the consolidated entity that relates to the annual reporting period beginning after the effective date of each pronouncement.

Note 2: Critical Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value and hierarchy of financial instruments
The consolidated entity is required to classify financial instruments, measured at fair value, using a three level hierarchy, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). An instrument is required to be classified in its entirety on the basis of the lowest level of valuation inputs that is significant to fair value. Considerable judgment is required to determine what is significant to fair value and therefore which category the financial instrument is placed in can be subjective.

The fair value of financial instruments classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 12 for the key assumptions employed in the fair value assessment.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

The key assumptions used in this determination are set out in Note 11.

Investments in Associate Companies:
In according with the Company's accounting policy for investments in Associate companies at 30 June 2013, the directors have made judgments and estimates in respect to the Company's investment in IGC Asia. The directors concluded that the Company did not meet the requirement of significant influence and therefore, the equity investment in IGC Asia remained carried at fair value. Refer to note 23 for detailed information on significant influence.

Note 3: Operating Segments

Identification of reportable operating segments
The consolidated entity is organised into two operating segments: modeling and investment. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation and profit before income tax and the accounting policies adopted for internal reporting to the CODM are consistent with those applied in the financial statements.

The information is reported to the CODM on at least a monthly basis.

Types of products and services
The principle products and services of each of these operating segments are as follows:

Modeling	Provision of management services to the modeling industry.
Investment	Investment in the oil industry in Singapore.

Intersegment transactions
Any intersegment transactions are at market rates and are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration to be received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers
There were no significant customers in any reported segment that comprise greater than 10% of the segments aggregated revenues (2012: None)

Geographical Regions
During the current financial year the consolidated group operated its activities in one geographical location, Australia.

Operating segment information

	Modelling	Investment	Intersegment eliminations/ unallocated	Consolidated
	$	$	$	$
30-June-2013				
Revenue				
Sales to External Customers	1,354,468	-	-	1,354,468
Other Income	-	2,630	-	2,630
Total Revenue	**1,354,468**	**2,630**	**-**	**1,357,098**
EBITDA	(170,359)	(312,988)	-	(483,347)
Depreciation and Amortisation	(2,704)	-	-	(2,704)
Finance Costs	-	(12,623)	-	(12,623)
Loss Before Income Tax	**(173,063)**	**(325,611)**	**-**	**(498,674)**
Income Tax Expense	-	-	-	-
Loss after income tax expense	**(173,063)**	**(325,611)**	**-**	**(498,674)**
Assets				
Segment Assets	288,508	923,627	(132,053)	1,080,082
Intersegment Eliminations			(224,000)	(224,000)
Total Assets	**288,508**	**923,627**	**(356,053)**	**856,082**
Total assets includes:				
Acquisition of non-current assets	9,197	-		
Liabilities				
Segment Liabilities	494,871	714,410	(11,931)	1,197,350
Intersegment Eliminations			(224,000)	(224,000)
Total Liabilities	**494,871**	**714,410**	**(235,931)**	**973,350**
30-June-2012				
Revenue				
Sales to External Customers	2,046,130	-	-	2,046,130
Other Income	6,072	95,803	(90,909)	10,966
Total Revenue	2,052,202	95,803	(90,909)	2,057,096
Adjusted EBITDA	30,617	(640,379)	-	(609,762)
Depreciation and Amortisation	(1,321)	-	-	(1,321)
Finance Costs	-	(80,571)	-	(80,571)
Loss Before Income Tax	**29,296**	**(720,950)**	**-**	**(691,654)**
Income Tax Expense	-	-	-	-
Loss after income tax expense	**29,296**	**(720,950)**	**-**	**(691,654)**
Assets				
Segment Assets	437,370	909,736	(136,248)	1,210,858
Intersegment Eliminations			(224,000)	(224,000)
Total Assets	**437,370**	**909,736**	**(360,248)**	**986,858**
Total assets includes:				
Acquisition of non-current assets	(2,727)	-		
Liabilities				
Segment Liabilities	470,669	897,324	(16,126)	1,351,867
Intersegment Eliminations			(224,000)	(224,000)
Total Liabilities	**470,669**	**897,324**	**(240,126)**	**1,127,867**

Note 4: Revenue

	30-June-2013 $	30-June-2012 $
Operating activities		
Agency Fee	1,354,468	2,046,130
Total operating revenue	**1,354,468**	**2,046,130**
Non-operating activities		
Interest Received	2,630	4,894
Other Revenue	-	6,072
Other non-operating activities	**2,630**	**10,966**
	1,357,098	**2,057,096**

Note 5: Expenses

	30-June-2013 $	30-June-2012 $
Depreciation		
Plant and Equipment	2,704	1,321
Finance costs		
Convertible securities	12,623	80,571
Rental expense relating to operating leases		
Minimum lease payments	65,016	62,023
Superannuation expense		
Superannuation	27,358	27,684
Employee benefits expense		
Employee benefits expense	401,000	243,623

Note 6: Income Tax Expense

	30-June-2013 $	30-June-2012 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(498,674)	(691,654)
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2012: 30%)	(149,602)	(207,496)
Tax effect of amounts which are not deductable/(taxable) in calculating taxable income:		
- Entertainment expenses	6	53
- Financial assets at fair value through profit or loss	-	189,213
- Capital raising costs	1,884	1,499
	(147,712)	(16,732)
Current year temporary differences not recognised	147,712	16,732
Income tax expense	-	-
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	7,826,042	7,333,670
Potential tax benefit @ 30%	2,347,813	2,200,101

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised if the continuity of ownership test is passed or failing that, the same business test.

Unused capital losses of $7,826,042 (2012: $7,333,670) have not been recognised.

The above potential tax benefit, which excluded tax losses have not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 7: Current Assets – Cash and Cash Equivalents

	30-June-2013 $	30-June-2012 $
Cash at bank	268,279	306,319
	268,279	**306,319**

Note 8: Current Assets – Trade and Other Receivables

	30-June-2013 $	30-June-2012 $
Current		
Trade receivables	98,879	198,898
Provision for impairment of receivables	(4,242)	(8,640)
	94,637	190,258
Other receivables	11,718	15,745
	106,355	**206,003**

Impairment of receivables

The consolidated entity has not recognised an impairment loss in 2013 (2012: Nil impairment loss) in respect of impairment of receivables for the year ended 30 June 2013.

The ageing of the impaired receivables recognised above are as follows:

	30-June-2013 $	30-June-2012 $
3 to 6 months overdue	12,854	8,640

Movements in the provision for impairment of receivables are as follows:

	30-June-2013 $	30-June-2012 $
Opening Balance	8,640	9,774
Additional Provision recognised	-	-
Receivables written off as uncollectable	(4,398)	(1,134)
	4,242	**8,640**

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $35,695 as at 30 June 2013 ($221,593 as at 30 June 2012). The consolidated entity did not consider the aggregate balances to be impaired after reviewing agency credit information and credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	30-June-2013 $	30-June-2012 $
1 to 30 days overdue	65,288	117,592
30 to 60 days overdue	22,841	25,926
60+ days overdue	8,456	78,075
	96,585	**221,593**

Refer to note 18 for detailed information on financial instruments.

Note 9: Current Assets - Other

	30-June-2013 $	30-June-2012 $
Current		
Prepayments	2,655	2,236
	2,655	**2,236**

Note 10: Non-Current Assets – Plant & Equipment

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

2012	Plant & Equipment $	Total $
Cost / fair value	57,463	57,463
Accumulated depreciation	(52,797)	(52,797)
Net book amount at 30 June 2012	**4,666**	**4,666**
Balance at the beginning of year	3,259	3,259
Additions	2,728	2,728
Depreciation expense	(1,321)	(1,321)
Carrying amount at the end of the year	**4,666**	**4,666**

2013	Plant & Equipment $	Total $
Cost / fair value	66,660	66,660
Accumulated depreciation	(55,501)	(55,501)
Net book amount at 30 June 2013	**11,159**	**11,159**
Balance at the beginning of year	4,666	4,666
Additions	9,197	9,197
Depreciation expense	(2,704)	(2,704)
Carrying amount at the end of the year	**11,159**	**11,159**

Note 11: Non-Current Assets – Intangibles

	30-June-2013 $	30-June-2012 $
Goodwill - at cost	483,776	483,776
Less: Impairment	(433,898)	(433,898)
	49,878	**49,878**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	30-June-2013 $	30-June-2012 $
Cost	483,776	483,776
Accumulated impairment loss	(433,898)	(433,898)
	49,878	**49,878**
Balance at beginning of the year	49,878	49,878
Adjustment on acquisition of a subsidiary	-	-
Impairment	-	-
	49,878	**49,878**

Impairment testing
Goodwill is allocated to the following cash-generating unit:

	30-June-2013 $	30-June-2012 $
Modelling	49,878	49,878
	49,878	**49,878**

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years, together with a terminal value based upon a multiple of 5 (2012: 5).

Key assumptions are those to which the recoverable amount of an asset or cash-generating unit is most sensitive.

The following key assumptions were used in the discounted cash flow model:

a. 17.50% (2012: 16%) pre-tax discount rate;
b. 5% (2012: 5%) per annum projected revenue growth rate; and
c. 3% (2012: 3%) per annum increase in operating costs and overheads.

No impairment has been recognised for the year ended 30 June 2013 (2012: $Nil)

Sensitivity analysis
Management estimates that any reasonable changes in the key assumptions would not have a significant impact on the value-in-use of goodwill that would require the asset to be impaired.

Note 12: Non-Current Assets – Financial Assets at Fair Value Through Profit or Loss

	30-June-2013 $	30-June-2012 $
Shares in IGC Asia Pte Ltd (Unlisted)	417,756	417,756
Total Other Financial Assets	**417,756**	**417,756**

Fair value of IGC Asia Pte Ltd
The fair value of the investment in IGC Asia Pte Ltd has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years, together with a terminal value based upon a multiple of 5 (2012: 5).

The following key assumptions were used in the discounted cash flow model
a. 20.50% (2012: 20%) pre-tax discount rate;
b. 5% (2012: 2%) per annum projected revenue growth rate; and
c. 5% (2012: 3%) per annum increase in operating costs and overheads.

Refer to note 18 for detailed information on financial instruments.

Note 13: Current Liabilities – Trade and Other Payables

	30-June-2013 $	30-June-2012 $
Current		
Trade payables	410,760	257,208
Accrued Director Fees	123,060	25,060
Model Payments Unpresented	164,068	158,551
Other payables and accrued expenses	87,583	214,684
	785,471	**655,503**

Refer to note 18 for detailed information on financial instruments.

Note 14: Current Liabilities – Borrowings

	30-June-2013 $	30-June-2012 $
Current Liabilities		
Bridging Advances	62,470	62,470
Convertible Notes	61,500	354,500
	123,970	**416,970**

Convertible Notes FY 2013

Notes qty	Value per note	Date of Issue of Notes	Interest Rate	Issue price per share	Date of Conversion	Total Shares to be issued
61,500	$1.00	01-Nov-10	10%	$ 0.003	30/09/2013	30,033,528
61,500						

$61,500 of Convertible Note principle and accrued interest at the 30th September 2013 is payable at 30 September 2013. Under the terms of the note agreement, repayment can be made through either equity or cash. The convertible note is unsecured and interest is calculated with an interest rate of 10% p.a. payable at redemption.

Refer to note 18 for detailed information on financial instruments.

Note 15: Current Liabilities – Employee Benefits

	30-June-2013 $	30-June-2012 $
Current		
Employee entitlements: Annual Leave	19,944	14,492
Provision for Superannuation	6,028	6,419
Total Current Provision	**25,972**	**20,911**

Note 16: Non-Current Liabilities – Employee Benefits

Long Service Leave	30-June-2013 $	30-June-2012 $
Non Current		
Employee entitlements: Long Service Leave		
Balance at the end of the year	**37,937**	**34,483**

Note 17: Equity - Contributed

	30-June-2013		30-June-2012	
	$	Shares	$	Shares
Fully Paid Ordinary Shares	26,666,983	989,619,878	26,145,332	813,387,549

Movements in Ordinary Share Capital

Details	Date	Issue Price $	No of Shares Quantity	Total $
Balance	30-Jun-11		640,657,733	25,113,948
Issue of Shares- Conversion of Notes	30-Nov-11	0.006	172,729,816	1,036,379
Capital Raising Costs				(4,995)
Balance 30 June 2012			**813,387,549**	**26,145,332**
Issue of Shares - Conversion of Notes	11-Oct-12	0.003	14,666,667	44,000
Issue of Shares - Conversion of Notes	18-Dec-12	0.003	92,065,662	276,196
Issue of Shares - Capital Raising	15-Mar-13	0.003	69,500,000	208,500
Capital Raising Costs				(6,281)
Balance 30 June 2013			**989,619,878**	**26,667,747**

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

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

Capital risk management
The group’s objectives and policies are to maintain a strong and flexible capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The group’s capital is made up of only ordinary shares. There are no externally imposed capital requirements.

Management effectively manages the group’s capital by assessing the group’s financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of return on capital (defined as total shareholders’ equity attributable to members divided by number of shares on issue), distributions to shareholders and share issues.

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

Note 18: Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analyses in the case of volatility in oil prices and foreign exchange rates and ageing analyses for credit risk in respect of investment portfolios to determine market risk.

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the consolidated entity's implementation of that system on a regular basis.

The exploration potential of the consolidated entity's projects and the economic viability of future developments are subject to the risk of movements in commodity prices, especially oil.

Market risk

Foreign currency risk
The consolidated entity does not have a significant exposure to foreign currency risk.

Price risk
The consolidated entity is not exposed to any significant price risk directly, however its investment in IGC Asia Pte Ltd has a significant exposure to business risk.

Interest rate risk
The consolidated entity does not have a significant exposure to interest rate risk.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the end of the reporting period to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral. Credit risk also arises on cash deposits.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financial Year 2013:

2013	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Total $
Non-derivatives					
Non-interest bearing					
Trade payables		410,760			410,760
Other payables		374,711			374,711
Bridging advance		62,470			62,470
Interest-bearing - fixed rate					
Convertible note	10.00%	88,505			88,505
Total non-derivatives		**936,445**	**-**	**-**	**936,445**

Financial Year 2012:

2012	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Total $
Non-derivatives					
Non-interest bearing					
Trade payables		257,208			257,208
Other payables		398,295			398,295
Interest-bearing - fixed rate					
Convertible note	10.00%	415,525			415,525
Bridging advance		73,024			73,024
Total non-derivatives		**1,144,052**	**-**	**-**	**1,144,052**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level I that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Consolidated 2013	**Level 3** $
Assets	
Financial assets at FVTPL	417,756
Total assets	**417,756**

Consolidated 2012	**Level 3** $
Assets	
Financial assets at FVTPL	417,756
Total assets	417,756

There were no transfers between levels during the financial year.

Movements in level 3 financial instruments

Movements in level 3 financial instruments during the current and previous financial year are set out below:

Consolidated 2013	**Fair value through profit or loss** **$**	**Total** **$**
Balance at 1 July 2011	1,048,467	1,048,467
Fair value movement through profit or loss	(630,711)	(630,711)
Balance at 30 June 2012	417,756	417,756
Fair value movement through profit or loss	-	-
Balance at 30 June 2013	**417,756**	**417,756**

There was no loss for the year included in profit or loss relating to level 3 assets held at the end of the year (2011: $630,711)

Refer to Note 12 for details of the basis on which fair value was determined, and note that changing one or more inputs would not significantly change the fair value of level 3 financial instruments.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 19: Key management personnel disclosures

Directors
The following persons were directors of BKM Management Limited during the financial year:

Name	**Position**
Mr. Alvin Tan	Chairman
Mr. Evan McGregor	Non-Executive Director
Mr. Phillip Hains	Non-Executive Director and Company Secretary

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Name	**Position**
Mr. Anthony Harden	State Manager- Western Australia

KMP Remuneration

Aggregate Remuneration of Key Management Personnel

	30-June-2013 $	30-June-2012 $
Short-term benefits	253,545	150,609
Post-employment benefits	-	-
Termination Payments	-	-
Share based payments	-	-
	253,545	**150,609**

Shareholding
The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2013	Balance at start of year	Received as compensation	Options exercised	Additions/ Disposal	Balance at the end of the year
Mr. Alvin Tan	11,600,000	-	-	-	11,600,000
Mr. Evan McGregor	60,660,753	-	-	-	60,660,753
Mr. Phillip Hains	10,760,119	-	-	98,196	10,858,315
	83,020,872	**-**	**-**	**98,196**	**83,119,068**
Mr. Anthony Harden	2,000,000	-	-	-	2,000,000
TOTAL	**2,000,000**	**-**	**-**	**-**	**2,000,000**
TOTAL	**85,020,872**	**-**	**-**	**98,196**	**85,119,068**

2012	Balance at start of year	Received as compensation	Options exercised	Additions/ Disposal	Balance at the end of the year
Mr. Alvin Tan	11,600,000	-	-	-	11,600,000
Mr. Evan McGregor *	49,995,000	-	-	10,665,753	60,660,753
Mr. Michael Sim	1,866,902	-	-	-	1,866,902
	63,461,902	**-**	**-**	**10,665,753**	**74,127,655**
Mr. Phillip Hains	7,137,500	-	-	3,622,619	10,760,119
Mr. Anthony Harden	2,000,000	-	-	-	2,000,000
TOTAL	**9,137,500**	**-**	**-**	**3,622,619**	**12,760,119**
TOTAL	**72,599,402**	**-**	**-**	**14,288,372**	**86,887,774**

*Additions represents issue of shares due to conversion of convertible notes as approved in resolution 9 of the Annual General Meeting held on 25th November 2011.

Option holding

No key management personnel, including their personally related entities, held options during 2013 or 2012.

Transaction with Key Management Personnel
Key Management personnel transactions are set out in note 23.

Note 20: Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit VIC Pty Ltd, the auditor of the company, and its related practices:

	30-June-2013 $	30-June-2012 $
Remuneration of the auditor of the parent entity for:		
- Audit and review services *William Buck Audit (VIC Pty Ltd)*	30,900	32,792
Total Remuneration for Auditor	**30,900**	**32,792**

Note 21: Contingent Liabilities

There were no contingent liabilities at 30 June 2013 and 30 June 2012.

Note 22: Commitments for Expenditure

	30-June-2013 $	30-June-2012 $
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	66,120	72,975
- between 12 months and 5 years	45,398	47,232
	111,518	**120,207**

The consolidated entity has two non-cancellable leases with terms varying between one and two years. The lease agreements provide for regular increases based either on CPI or market reviews.

Note 23: Related party transactions

Parent entity
BKM Management Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 25.

Key management personnel
Disclosures relating to key management personnel are set out in note B of the remuneration report in the directors' report.

Transactions with key management personnel
The following transactions occurred with related parties:

	30-June-2013 $	**30-June-2012 $**
Payment for other expenses:		
Share registry services to Advanced Share Registry (as Company in which Alvin Tan is a director)	5,807	7,893

Significant influence
As at 30 June 2013 the Directors have determined that BKM Management Ltd's investment in IGC is not sufficient to meet the requirements of a significant influence required under the Company's accounting policy for investments in Associate companies, principally due to the Company's present power to participate in its financial and operating policy decisions, such that 60% voting power is required. Accordingly, this unlisted equity investment has been carried at fair value.

Receivable from and payable to related parties
There were no trade receivables from related parties. The trade and other payables balance as at 30 June 2013 contains accrued directors fees of $123,060 (June 2012:$25,060) and related party payables for director controlled entities of $283,935 (June 2012: $614,600).

Loans to/from related parties
There were no balances outstanding at the end of the reporting period in relation to loans with related parties:

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 24: Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and comprehensive income

	30-June-2013 $	30-June-2012 $
Loss after income tax	(325,611)	(720,950)
Total Loss	**(325,611)**	**(720,950)**

Statement of financial position

	30-June-2013 $	30-June-2012 $
Assets		
Non-current assets	587,756	587,756
Current Assets	335,871	321,980
Total Assets	**923,627**	**909,736**
Liabilities		
Non-current liabilities	61,500	354,500
Current liabilities	652,910	542,824
Total Liabilities	**714,410**	**897,324**
Net Assets	**209,217**	**12,412**
Equity		
Issued capital	26,667,747	26,145,331
Retained earnings	(26,458,530)	(26,132,919)
Total Equity	**209,217**	**12,412**

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment in the separate financial statements of BKM Management Limited.

Note 25: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

	Country of Incorporation	Percentage Owned (%)*	
		30-June-2013	30-June-2012
Parent Entity:			
Subsidiaries of BKM Management Limited:			
Elite Models (Aust) Pty Ltd	Australia	100%	100%
Scene Model Management Pty Ltd	Australia	85%	85%

*Percentage of voting power is in proportion to ownership

Note 26: Events occurring after the reporting period

24th September 2013 – BKM Management Limited released an Appendix 3B to announce the issue of equity through a private placement to Presage Resources Pte Ltd that raised $150,000.

Note 27: Reconciliation of loss after income tax to net cash used in operating activities

	30-June-2013 $	30-June-2012 $
Reconciliation of cash flow from operations with loss after income tax		
Loss for the period	(498,674)	(691,654)
Add back depreciation expense	2,704	1,321
Add back impairment of asset	-	630,711
Add back interest on borrowings	12,623	80,571
(Increases)/Decreases in Accounts Receivable	115,025	11,633
(Increases)/Decreases in Other Current Assets	(419)	8,311
Increases/(Decreases) in Accounts Payable	159,165	(100,702)
Increases/(Decreases) in Other Current Liabilities	8,515	6,039
Cash flow from operations	**(201,061)**	**(53,770)**

Note 28: Earnings per share

		30-June-2013 $	30-June-2012 $
a)	Reconciliation of earnings to profit/loss		
	Net loss attributable to ordinary equity holders of the parent	(498,674)	(691,654)
	Add back loss attributable to non-controlling interests	25,959	(4,395)
	Earnings used to calculate basic EPS	(472,715)	(696,049)
		No.	**No.**
b)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	891,235,543	741,456,228
	Weighted average number of options outstanding *	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	891,235,543	741,456,228

* - Includes instruments with dilutive impact on EPS only

Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. Where dilutive, potential ordinary shares are included in the calculation of diluted loss per share. Al the options on issue do not have the effect to dilute the loss per share, therefore have been excluded from the calculation of diluted loss per share.

		Cents	Cents
c)	Basic earnings/loss per share	(0.05)	(0.09)
d)	Diluted earnings/loss per share	(0.05)	(0.09)

The 815,000 options granted on 1 May 2013 are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2013. These options could potentially dilute basic earnings per share in the future.

Note 29: Other

The financial report was authorised for issue, in accordance with a resolution of directors, on Monday, 30th September 2013. The directors have the power to amend and reissue the financial report.

Director's Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- 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.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Mr. Alvin Tan
Non-Executive Chairman

Monday, 30th September 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying consolidated financial report comprising BKM Management Limited (the Company) and the entities it controlled at year's end or from time to time during the financial year (the consolidated entity). The consolidated financial report comprises the statement of financial position as at 30 June 2013, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives and true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES (CONT)

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

Basis for Qualified Opinion
BKM Management Limited's investment in IGC Asia Pte Ltd, an oil trading business based in Singapore, is carried at $417,756 on the statement of financial position as at 30 June 2013 (2012: $417,756). The investment was impaired by $630,711 in the prior year in response to a revised operating model and reduced activity. As in the prior year, we remain unable to obtain sufficient appropriate evidence to satisfy ourselves in respect of the carrying amount of BKM Management Limited's investment in IGC Asia Pte Ltd.

Qualified Opinion
In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter
Without further qualification to the opinion expressed above, we draw attention to Note 1 to the financial report, which indicates the consolidated entity incurred a net loss of $498,674 (2012: $691,654), the current liabilities exceeded the current assets (working capital) by $558,124 (2012: $578,826), the consolidated entity recorded a $699,998 (34%) reduction in revenues to $1,357,098 and had net cash outflows from operating activities of $201,062 (2012 $53,770) during the year ended 30 June 2013. At 30 June 2013 the consolidated entity has a deficiency of net assets of $117,268 (2012: $141,009) and is reliant upon the continued commitment of Directors and related parties to continue to support the going concern basis of the consolidated entity. These conditions, along with the other matters as set forth in Note 1, indicate the existence of an material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BKM MANAGEMENT LIMITED AND CONTROLLED ENTITIES (CONT)

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 9 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion, the Remuneration Report of BKM Management Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report
This auditor's report relates to the financial report of BKM Management Limited for the year ended 30 June 2013 included on BKM Management Limited's web site. The company's directors are responsible for the integrity of the BKM Management Limited's web site. We have not been engaged to report on the integrity of the BKM Management Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck.

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 30th day of September, 2013

Shareholder Information

The shareholder information set out below was applicable as at 25th September 2013

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Share Spread

Range	Holders	Units	Percentage
1 - 1,000	392	206,393	0.02%
1,001 - 5,000	429	1,232,556	0.12%
5,001 - 10,000	193	1,591,829	0.15%
10,001 - 100,000	412	14,339,848	1.38%
> 100,000	200	1,022,249,252	98.33%
Total	**1,626**	**1,039,619,878**	**100.00%**

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

Shareholder	*Units*	*% of units*
Presage Resources Pte Ltd	120,000,000	11.54%
CBS Ventures Pte Ltd	101,400,000	9.75%
Brooklyn International Inc	84,784,838	8.16%
Ong Sau Yin	67,892,146	6.53%
Nerac Capital Holdings Pty Ltd	56,421,918	5.43%
Slade Technologies Pty Ltd	54,000,000	5.19%
World Star Pte Ltd	51,308,403	4.94%
Innovation Marketing & Finance	49,900,000	4.80%
Cudgen Superannuation Services	30,600,000	2.94%
Coastal Inc	28,469,178	2.74%
Zero Nominees Pty Ltd	25,500,000	2.45%
Jp Morgan Nominees Australia	23,227,386	2.23%
Uob Kay Hian Private Limited	15,349,214	1.48%
Medan Financial Limited	15,000,000	1.44%
Cudgen Superannuation Services	14,400,000	1.39%
Trayburn Pty Ltd	12,000,000	1.15%
Northbridge Business Services	11,300,000	1.09%
Innovation Marketing &	10,665,753	1.03%
Mrs Halina Wlodarczyk	10,000,000	0.96%
Slade Technologies Pty Ltd	10,000,000	0.96%

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders

Substantial holders in the company are set out below:

Holder	Shareholding	% of total shares issued
Presage Resources Pte Ltd	120,000,000	11.54%
CBS Ventures Pte Ltd	101,400,000	9.75%
Brooklyn International Inc	84,784,838	8.57%
Ong Sau Yin	67,892,146	7.38%
Terence William Staines	64,010,502	6.47%
Innovation Marketing and Finance	60,660,753	6.13%
Nerac Capital Holdings Limited	58,474,658	5.19%

Voting rights

The voting rights attached to ordinary shares are set out below:

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

There are no other classes of equity securities.

Corporate Directory

Directors	Alvin Tan Evan McGregor Phillip Hains
Company Secretary	Phillip Hains
Registered Office	Suite 1, 1233 High Street, Armadale VIC 3143 Telephone: +61 3 9824 5254 Facsimile: +61 3 9822 7735
Share Register	Advanced Share Registry Services 150 Stirling Highway, Nedlands, Perth WA 6909 Telephone: +61 8 9389 8033 Facsimile: +61 8 9389 7871
Auditor	William Buck Audit (VIC) Pty Ltd Level 20, 181 William Street, Melbourne VIC 3000 Telephone: +61 3 9824 8555 Facsimile: +61 3 9824 8580
Solicitors	Pointon Partners 14/565 Bourke Street, Melbourne VIC 3000
Stock Exchange Listing	BKM Management Limited shares are listed on the Australian Securities Exchange (ASX Code: BKM)
Website	www.bkmmanagement.com