Broad Investments Limited

ABN: 91 087 813 090

PRELIMINARY FINAL REPORT
Year Ended 30 June 2015

Appendix 4E

(Previous corresponding period: Year Ended 30 June 2014)

BROAD INVESTMENTS LIMITED
& CONTROLLED ENTITIES

Results for Announcement to the Market
for the year ended 30 June 2015

Name of entity

BROAD INVESTMENTS LIMITED

ACN

087 813 090

$A'000

Revenues from ordinary activities	Up	103.4%	to	7,736
Profit (Loss) from ordinary activities after tax attributable to members	Up	690.76%	to	356
Net profit (loss) for the period attributable to members	Up	690.76%	to	356

Dividends	**Amount per security**	**Franked amount per Security**
Final dividend	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢

NTA Backing	**Current Year**	**Previous Year**
Net tangible asset-backing per ordinary share (cents) This is an increase of	0.0208	(0.08)

Record date for determining entitlements to the dividend:	Not Applicable
The annual meeting will be held as follows:	
Place	To be advised
Date	To be advised
Time	To be advised
Approximate date the annual report will be available	To be advised

COMMENTARY ON 2015 RESULTS

The profit of the consolidated entity for the year ended 30 June 2015, after providing for income tax amounted to $355,998 (2014: Profit $45,020). This is an increase of 690.76% on the previous year.

The principal activity of the Group until April 2015 was an IT and telecommunication provisioning services business, servicing the communications and ICT market via its subsidiaries Mirrus Holdings (Mirrus) and Unified Business Communications Group (UBCG). After April 2015 and the completion of the acquisition of MyMac Australia and MonstaMac businesses and the rationalisation, reconstruction and/or disposal of the Mirrus, UBCG and managed Asset Services (MAS) subsidiaries, the Company's focus remained in IT and telephony but with the addition of three Apple retail stores and warehouse facilities that also provided bulk Apple product sales to business, government and the education sector and sales of Apple oriented peripherals and accessories.

The increase in turnover and profit has resulted from the acquisition of the MyMac and MonstaMac businesses and the rationalisation and reconstruction of the Mirrus and UBCG subsidiaries. The Mirrus, MAS and UBCG rationalisations alone has increased net asset values and profitability by in excess of $900K.

Compliance statement

1. This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.
2. This report and the financial statements upon which the report is based use the same accounting policies.
3. This report gives a true and fair view of the matters disclosed
4. This report is based on the financial statements which are in the process of being audited.

Date: 22 September, 2015

Vaz Hovanessian
(Executive Chairman)

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DIRECTORS' REPORT

The directors present their report, together with the financial statements of the Group, being Broad Investments Limited and its controlled entities, for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITY AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

There was a significant change in the nature of activities of the Group. The principal activity of the Group until April 2015 was an IT and telecommunication provisioning services business, servicing the communications and ICT market via its subsidiaries Mirrus Holdings (Mirrus) and Unified Business Communications Group (UBCG). After April 2015 and the completion of the acquisition of MyMac Australia and MonstaMac businesses and the rationalisation, reconstruction and/or disposal of the Mirrus, UBCG and managed Asset Services (MAS) subsidiaries, the Company's focus remained in IT and telephony but with the addition of three Apple retail stores and warehouse facilities that also provided bulk Apple product sales to business, government and the education sector and sales of Apple oriented peripherals and accessories.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated profit of the consolidated group amounted to $355,998 (2014: Profit $45,020), after providing for income tax. This represented a turnaround of 690.76% compared to the profit reported for the year ended 30 June 2014. This turnaround was largely due to:

- Increase in revenue by the Group of $4,048,905.
- Net write back of expenses resulting from rationalisations of $901,632

Review of Operations

Group revenue from all activities increased by 106.4% on the previous financial year to $7,856,444 (2014: $3,807,539). Group revenue from ordinary activities increased by 103.4% on the previous financial year to $7,736,010 (2014: $3,803,738).

DIRECTORS' REPORT (cont.)

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR (cont.)

Financial Position

The net asset position of the consolidated group has increased by $949,142 during the year from a negative position of $636,481 at 30 June 2014 to a positive position of $312,661 in 2015. This increase in net assets is largely due to:

- An increase arising from a profit of $355,998 during the year.
- Net increase in Plant & Equipment of $561,033
- Net improvement in the difference in Current Assets and Current Liabilities of $508,790

Also, it is encouraging that the net cash flow from operating activities for the year ended 30 June 2015 improved considerably to a positive position of $633,467 (2014 net cash operating positive position of $339,753), a net improvement of $293,714 on last year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs occurred during the financial year:

(i) Changes to Capital

Up to the end of 30 June 2015 the following issues were made as detailed below.

	2015		2014	
Ordinary shares	**No.**	**$**	**No.**	**$**
Issue of Shares:				
Shares issued in lieu of Director fees	-	-	-	-
Shares issued for acquisition of MyMac (Australia) Pty Ltd, Monsta Industries Unit Trust and MonstaPOS Unit Trust	574,149,098	574,149	-	-
Share Issue	201,587,810	203,176	-	-
Total number of Shares issued	**574,198,098**	**777,325**	**-**	**-**

	2015 No.	2015 $	2014 No.	2014 $
Convertible notes				
Issue of Convertible notes in 2013	-	-	-	-
Convertible Shares issued to repay debt				
Redemption of Convertible notes in 2014:				
Redemption of Convertible notes	-	-	(82,500,000)	(165,000)
Redemption of Convertible notes	(85,500,000)	(171,000)		
Total number of Securities issued/(redeemed)	**(85,500,000)**	**(171,000)**	**(82,500,000)**	**(165,000)**

(ii) Acquisitions and rationalisations

During the year ended 30 June, 2015, the Company acquired 100% interest in MyMac Australia Pty Ltd, Monsta Industries Unit Trust and MonstaPOS Unit Trust and shortly after reconstructed and rationalised its Mirrus, MAS and UBCG subsidiaries resulting in the closing down of the diminishing business in Mirrus and merging any remaining activities into UBCG and disposing both Mirrus and MAS, whose operations had become dormant.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year. (30 June 2014: Nil).

EVENTS AFTER THE REPORTING PERIOD

No material events have occurred subsequent to balance date.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudices to the Group.

ENVIRONMENTAL ISSUES

There are no significant environmental regulations which apply to the Group.

INFORMATION ON DIRECTORS

The following persons were directors of Broad Investments Limited during the financial year and up to the date of this report:

Executive Chairman
Mr Vaz Hovanessian

Executive Directors
Mr Steven Bardel – Appointed 15/04/2015

Non-executive Directors
Mr Johannes Scholtz
Mr Neil Gibson – Resigned 28/11/2014
Mrs Catherine Bray – Appointed 10/11/2014
Mr Gary Franklin – Appointed 15/04/2015

DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (cont.)

The qualifications, experience and special responsibilities of each of the directors currently in office are as follows:

Name and qualifications	Age	Experience and special responsibilities
Vaz Hovanessian B.Bus., M.App.Fin, CPA, FCSA, FGIA.	60	Executive Chairman, Company Secretary, and Chief Financial Officer. Member of the Audit committee. Over 30 years' experience in corporate and financial services and/or public company operations. A successful businessman, with extensive interests in finance, property and tourism. Appointed on 30 December 2003. *Former listed company directorships in the last 3 years* Non-executive director of Hastings Rare Metals Limited (appointed to assist with a short term project advisory role on 23 September 2013 and resigned after successful completion of the project on December 9, 2013)
Cathy Bray	53	Non-executive Director. Mrs Cathy Bray holds a Master of Project Management from University of Technology, Sydney and for the last 15 years has been involved in managing various construction and refurbishment projects from early stage planning and development application to construction compliance and methodology, tendering and project management for project delivery. Appointed on 10 November 2014.
Steven Bardel	43	Executive Director. Mr Steven Bardel has been involved in finance and technology for approximately 20 years and was the founder of MyMac over 15 years ago and he is the driving force behind the Group's MyMac and MonstaMac operations. Appointed on 15/04/2015.
Gary Franklin	73	Non-executive Director. Mr Gary Franklin holds a Bachelor of Economics and he is an FCPA having in excess of 30 years' experience in Finance and CFO roles in a number of Listed Mining, Publishing and Media.and diversified industrial companies including News Limited, Volvo, GKN, Mount Isa Mines Limited and Wambo Coal. Appointed on 15/04/2015.
Johannes Scholtz B. Commerce	50	Non-executive Director and Chairman of the Audit Committee. Has over 20 years' experience in senior level management in Australia, New Zealand & South Africa, in the manufacturing and steel industries, including Corporate finance roles and turnarounds of small companies. Appointed 30 May 2005.

COMPANY SECRETARY

The company secretary is Mr Vaz Hovanessian who is a fellow of Company Secretaries Australia and a fellow of the Governance Institute of Australia. Mr Hovanessian was appointed as Company Secretary on 30 December, 2003. Before joining Broad Investments Limited he held similar positions with other listed public companies.

DIRECTORS' REPORT (cont.)

MEETINGS OF DIRECTORS

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2015 and the numbers of meetings attended by each director were:

	Board of Directors		Audit Committee	
	Meetings Eligible To Attend	Meetings Attended	Meetings Eligible To Attend	Meetings Attended
Vaz Hovanessian	11	11	2	2
Neil Gibson	6	5	-	-
Johannes Scholtz	11	10	2	2
Steven Bardel	2	2	-	-
Gary Franklin	2	2	-	-
Cathy Bray	7	7	-	-

OPTIONS

At the date of this report, there are 25 million options with an exercise price of 0.5 cent per share and expiry of 15/04/2018.

No shares were issued on the exercise of options during the year ended 30 June 2015.

INDEMNIFYING OFFICERS OR AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such by an officer or auditor, except as allowed under the constitution of the Company.

There is no D&O policy in place for directors & officers.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or 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.

The company was not a party to any such proceedings during the year.

DIRECTORS' REPORT (cont.)

REMUNERATION REPORT

(a) Remuneration policy

The Board is responsible for determining and reviewing compensation arrangements for the directors. The Board assesses the appropriateness of the nature and amount of emoluments of directors on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit within the confines of the resources of the Company.

The Board has agreed that executive directors should receive remuneration commensurate with their endeavours in maintaining the company and to act as an incentive to maximise shareholder returns. The remuneration of non-executive directors is governed by the constitution of the Company. The non-executive directors of the Company have agreed for payment of their fees to be made by the issue of shares, subject to shareholder approval.

(b) Relationship between remuneration policy and company performance

Directors are paid a base fee of $240,000 per annum for the executive chairman and a maximum of up to $20,000 per annum for non-executive directors. Since the acquisition of Mymac & MonstaMac, Steve Bardel, the CEO of MyMaac & MonstaMac, who is also an Executive Director of Broad Investments Limited, receives an amount of $240,000 per annum. Whilst the performance of the group is an important consideration, the group is a small company with limited resources and capitalisation and the financial and corporate skills required, and the risk and effort involved in such an organisation is the primary consideration in deciding any level of remuneration until such time as adequate capitalisation and profitability is achieved, when it will be more appropriate to establish an incentive based remuneration with a component tied to performance.

(c) Directors' & executives' remuneration

Directors' fees

The current base remuneration was last reviewed with effect from 1 April 2007. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

The following limits in Directors' fees have applied:

	From 1 April 2007	From 1 April 2006 to 31 March 2007
Base Fees		
Executive Chairman	240,000	180,000
Executive Director	240,000	-
Non-executive directors	80,000	20,000

Executive pay

The executive pay and reward framework is principally, that of base pay, including superannuation.

The combination of these comprises the executive total remuneration. For the year ended 30 June 2014 and 30 June 2015, remuneration was fixed base for directors.

DIRECTORS' REPORT (cont.)
REMUNERATION REPORT (cont.)
(c) Directors' & executives' remuneration (cont.)

The base pay may be delivered as cash or company securities as agreed between the executive chairman and the executive. The performance incentives are reviewed periodically by the executive chairman and the Board and may be delivered as a combination of cash or company securities as agreed between the executive chairman and the executive.

Amounts of remuneration
Details of the remuneration of the directors and the key management personnel of Broad Investments Limited and the Broad Investments Group are set out below. The key management personnel of the Group were the directors of Broad Investments Limited and the following executive:

Andrew Bray	Director – Unified Business Communications Group Ltd

	Short-term employee benefits			
2015	**Cash salary and fees**	**Cash bonus**	**Super-annuation**	**TOTAL**
Executive Director				
Current				
Vaz Hovanessian	240,000	-	-	240,000
Steven Bardel	50,000	-	-	50,000
Non-Executive Directors				
Current and Past				
Johannes Scholtz (Current)	20,000	-	-	20,000
Neil Gibson (Past)	8,333	-	-	8,333
Cathy Bray (Current)	4,091	-	-	4,091
Total paid to Directors	**322,424**	**-**	**-**	**322,424**
Executives				
Current				
Andrew Bray	80,000	-	-	80,000
Total paid to Executives	**80,000**	**-**	**-**	**80,000**
Total paid	**402,424**	**-**	**-**	**402,424**
2014	**Cash salary and fees**	**Cash bonus**	**Super-annuation**	**TOTAL**
Executive Director				
Current				
Vaz Hovanessian	240,000	-	-	240,000
Non-Executive Directors				
Current				
Johannes Scholtz	20,000	-	-	20,000
Neil Gibson	20,000	-	-	20,000
Total paid to Directors	**280,000**	**-**	**-**	**280,000**
Executives				
Current				
Andrew Bray	80,000	-	-	80,000
Total paid to Executives		**-**		
Total paid	**360,000**	**-**		**360,000**

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Executive Directors: All Directors have only a fixed component to their salary and fees.

Other Key Management Personnel:

	Fixed remuneration		At risk - STI	
Name	**2015**	**2014**	**2015**	**2014**
Current				
Andrew Bray	100%	100%	0%	0%

(d) Service agreements

As at the date of this report the Company has no service agreement with any director.

There is no formalised agreement with Andrew Bray, who continues as a director on the Board of Unified Business Communications Group Pty Ltd on the request of the parent company. Andrew Bray receives the following remuneration:

- $24,000 per annum for consulting fees from Unified Business Communications Group Pty Ltd
- $56,000 per annum for consulting fees from Broad Investments Limited

(d) Directors' Interests

Directors are not required under the Company's constitution to hold any shares.
As at the date of this report, the Directors of Broad Investments Ltd have the following interests in shares and options issued:

	Shares		Options	
	Direct	**Indirect**	**Direct**	**Indirect**
Vaz Hovanessian	Nil	6,269,752	Nil	Nil
Cathy Bray	Nil	5,000,000		
Gary Franklin	Nil	Nil	Nil	Nil
Steven Bardel	150,000,000	174,149,098	25,000,000	Nil
Johan Scholtz	15,800,000	Nil	Nil	Nil

The indirect interest of Mr Hovanessian is held through an associated company, Raxigi Pty Limited.
The indirect interest of Mr Steven Bardel is held through Bardel Family Trust of which Mr Bardel and his partner are Trustees of.
The indirect interest of Mrs Cathy Bray is held through an associated company, Bray Sports Services Pty Ltd.

DIRECTORS' REPORT (cont.)

NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the Group are important.

However, for the financial year ended at 30 June 2015 there were no amounts paid or payable to the auditor (Crowe Horwath Sydney) for non-audit services.

Amounts paid or payable to the auditor for audit services provided during the year are set out below.

	Consolidated	
	2015	**2014**
	$	**$**
Crowe Horwath Sydney:		
- Audit and review of financial reports	82,000	87,000
TOTAL REMUNERATION FOR AUDIT SERVICES	**82,000**	**87,000**

AUDITOR'S INDEPENDENCE DECLARATION

This financial report is subject of an audit. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 will be included in the final audited financial accounts to be released in due course.

This report, incorporating the remuneration report, is made in accordance with a resolution of the Directors.

Vaz Hovanessian
Executive Chairman

Sydney
22 September 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated	
		2015	**2014**
	Note	**$**	**$**
Sales revenue	3	7,736,010	3,803,738
Rent Received/Receivable	3	78,050	
Net realised gain on short-term investments	3	-	-
Other revenue	3	42,384	3,801
Total revenue from continuing operations	**3**	**7,856,444**	**3,807,539**
Less:			
Cost of sales	5	(6,039,397)	(2,342,530)
Gross profit		**1,817,047**	**1,465,009**
Employee benefits expense		(1,190,852)	(519,292)
General & administrative expenses		(1,626,499)	(855,875)
Net bad & doubtful debts	5	-	5,446
Finance costs	5	(38,778)	(37,285)
Depreciation & amortisation expenses	5	(14,006)	(6,065)
Impairment of current assets	5	(28,391)	(69)
Intangible assets written off	5	(21,490)	
Net realised loss on short-term investments	5	-	(6,849)
Mirrus Holdings Pty Ltd – DOCA contribution	5	(300,000)	
Gain on bargain purchase	5	557,335	
Reversal of suppliers and loan liabilities no longer payable - Mirrus	5	1,201,632	-
Total expenses from ordinary activities		**1,461,049**	**(1,419,989)**
Profit / (loss) before income tax expense		**355,998**	**45,020**
Income tax expense	6	-	-
Profit / (loss) from continuing operations		**355,998**	**45,020**
Profit / (loss) from discontinued operations after tax	21	-	-
Net profit / (loss) for the period	20(b)	**355,998**	**45,020**
Other comprehensive income			
Net change in fair value of available for sale financial assets		-	-
Total comprehensive income / (loss) for the period net of tax		**355,998**	**45,020**
Profit / (loss) attributable to:			
Members of the parent entity	20(b)	**355,998**	**45,020**
Total comprehensive income / (loss) attributable to:			
Members of the parent entity		**355,998**	**45,020**
Earnings per share from continuing and discontinued operations of the company			
Basic profit/(loss) per share (cents)	7	0.0322	0.005
Diluted profit/(loss) per share (cents)	7	0.0319	0.005
Earnings per share from continuing operations of the company			
Basic profit/(loss) per share (cents)	7	0.0322	0.005
Diluted profit/(loss) per share (cents)	7	0.0319	0.005

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Consolidated	
		2015	**2014**
	Note	**$**	**$**
Current assets			
Cash and cash equivalents	9	114,811	311,635
Trade and other receivables	10	355,333	324,720
Inventories	11	2,026,670	-
Financial assets at fair value through profit or loss	12	1,400	1,008
Financial assets available for sale	13	17,262	46,043
Total current assets		**2,515,476**	**683,406**
Non-current assets			
Plant and equipment	14	599,616	38,583
Intangible assets	15	-	-
Total non-current assets		**599,616**	**38,583**
Total assets		**3,115,092**	**721,989**
Current liabilities			
Overdraft	17	-	-
Trade and other payables	16	2,308,944	1,295,314
Borrowings	17	279,751	25,705
Provisions	18	93,055	37,451
Total current liabilities		**2,681,750**	**1,358,470**
Non-current liabilities			
Borrowings	17	95,000	-
Total non-current liabilities		**95,000**	**-**
Total liabilities		**2,776,750**	**1,358,470**
Net assets surplus/(deficiency)		**338,342**	**(636,481)**
Equity			
Contributed equity	19	24,403,121	23,796,796
Options reserve	20(a)	12,500	-
Accumulated losses	20(b)	(24,077,279)	(24,433,277)
Total equity		**338,342**	**(636,481)**

The statement of financial position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Note	Share Capital	Reserves	Accumulated losses	Total
		$	$	$	$
Balance at 1-7-2013		**23,964,796**	**1,146,000**	**(25,671,898)**	**(561,102)**
Adjustment of prior year losses (2013)		-	-	47,601	47,601
Restated balance at 1-7-2013		**23,964,796**	**1,146,000**	**(25,624,297)**	**(513,501)**
Redemption of equity net of transaction costs	19	(168,000)	-	-	(168,000)
Transfer	20(a)	-	(1,146,000)	1,146,000	-
Total other comprehensive income	20(a)	-	-	-	-
Profit attributable to members of parent entity	20(b)	-	-	45,020	45,020
Balance at 30-6-2014		**23,796,796**	**-**	**(24,433,277)**	**(636,481)**
Balance at 1-7-2014		**23,796,796**	**-**	**(24,433,277)**	**(636,481)**
Contributions of equity net of transaction costs	19	606,325	-	-	606,325
Options reserve	20(a)		12,500		12,500
Profit attributable to members of parent entity	20(b)	-	-	355,998	355,998
Balance at 30-6-2015		**24,403,121**	**12,500**	**(24,077,279)**	**338,342**

The Statement of changes in equity is to be read in conjunction with the notes to the financial statements.

BROAD INVESTMENTS LIMITED
& CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		7,823,850	3,837,595
Payments to suppliers and employees		(7,153,586)	(3,463,108)
Interest received		1,981	2,551
Interest paid		(38,778)	(37,285)
Net cash provided by / (used in) operating activities	22(b)	**633,467**	**339,753**
Cash flows from investing activities			
Payment for equity investments			(1,250)
Payment for physical non-current assets, etc.		(1,776,671)	(1,236)
Proceeds from disposal of equity investments			22,868
Payment for other non-current assets		(21,490)	-
Net cash provided by / (used in) investing activities		**(1,798,161)**	**20,382**
Cash flows from financing activities			
Proceeds from issue of shares		606,325	-
Redemption of convertible notes		-	(165,000)
Proceeds from issue of share options		12,500	
Capital raising costs			(3,000)
Proceeds from borrowings		791,226	87,325
Repayment of borrowings		(442,181)	(251,898)
Net cash provided by / (used in) financing activities		**967,870**	**(332,573)**
Net (decrease)/ increase in cash held		(196,824)	27,562
Cash at beginning of financial year		311,635	284,073
Cash at end of financial year	22(a)	**114,811**	**311,635**

The Statement of cash flows is to be read in conjunction with the notes to the financial statements.

CONTENTS TO THE NOTES OF THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

These consolidated financial statements and notes represent those of Broad Investments Limited and controlled entities (the 'consolidated group' or 'group'). Broad Investments Limited is a company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Broad Investments Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding negative working capital as the Group did achieve a positive cash flow from operating and investing activities and has sufficient cash or access to cash to continue to operate for the foreseeable future and expects to deliver profits in the future. It is noteworthy that the group achieved a profit of $355,998 during the year, compared to a profit of $45,020 in 2014. Further, the Company acquired the profitable Mymac and MonstaMasc businesses and rationalised its Mirrus Holdings subsidiary, reducing costs and liabilities substantially, and is also confident of being able to raise additional funds through any one or a combination of share placement, share purchase plan, rights issue or debt facility for acquisitions which would enhance profitability and cash flow.

The Directors have prepared a forecast for the foreseeable future reflecting the abovementioned expectations and their effect on the Group. The achievement of the forecast is largely dependent upon the following matters, the outcomes of which are uncertain:

Going Concern (cont.)

- The ability of the Group to achieve a reasonable return from investing its available cash and for its Mymac, Monstamac and UBCG divisions to meet their projected sales and the ability of Directors to continue to identify and secure new and complementary value adding products and services to market to the Company's client base via its retail, education, and B2B operations, to ensure future growth; and

- Whilst there is sufficient cash or access to cash to meet all of the needs of the Group as and when required over the foreseeable future, it is possible that any new acquisitions or working capital requirements of the Group may require additional cash, and therefore dependent on the ability of the Company to raise equity funds via share placements, convertible notes, share purchase plan or rights issues to fund such acquisition to grow the Company.

In the event that the outcomes of the abovementioned matters are unfavourable, the Directors believe that they have sufficient cash and other assets for the Company to continue to meet its debts as and when they become due and payable. In addition, the Chairman has been willing to and has often provided financial support in the past and will continue to do so.

In the unlikely event most or every matter referred to above results in a negative outcome, then the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Broad Investments Limited at the end of the reporting period. A controlled entity is any entity over which Broad Investments Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 24 to the financial statements.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Principles of Consolidation (cont.)
In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Business Combinations
Business combinations occur when an acquirer obtains control over one or more business.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill
Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Goodwill (cont.)
The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquire either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Refer to Note 15 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

<u>Customer contracts</u>
Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which are currently 5 years.

<u>Customer lists</u>
Customer lists acquired as part of a business combination are recognised separately from goodwill. The customer lists are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the clients, which is currently 5 years.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Inventories

Inventories are measured at the lower of cost and net realisable value.

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount the carrying amount is recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

	2015	2014
Leasehold improvements	33.3%	-
Motor vehicles	22.5%	-
Plant and equipment	22.5%	-
Furniture and fittings	7.5%	7.5%
Office equipment	10%	10%
Computer equipment	25%	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Depreciation (cont.)
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Exploration Expenditure
Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortized on a straight-line basis over the life of the lease term.

Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial Instruments (cont.)
The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included 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 and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial Instruments (cont.)
Available-for-sale investments
Available-for-sale investments are non-derivative financial assets that are either not capable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities
Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment
At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial Instruments (cont.)
For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees
Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Impairment of Assets
At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Foreign Currency Transactions and Balances
<u>Functional and presentation currency</u>
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

<u>Transaction and Balances</u>
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue is recognised for the major business activities as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Sale of Goods
The group distributes routers in the telecommunication market. Revenue from the sale of goods is recognised (net of returns, discounts and allowances) in the accounting period when control of the goods passes to the customer.

Managed Services
Revenue from services is recognised in the accounting period in which the services are rendered.

Asset Sales
The gain arising on sales of non-current assets are included as revenue from the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

All revenue is stated net of the amount of goods and services tax (GST).

Trade and Other Receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade and Other Payables
Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 - 45 days of recognition of the liability.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Discontinued operations
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view of resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

Critical Accounting Estimates and Judgments
The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

<u>Key Estimates</u>
Impairment - general
The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. These calculations require the use of assumptions. Refer to notes 10 and 15 for detailed assumptions.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income taxes
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The Group has not recognised deferred tax assets relating to carried forward tax losses as the group has not met the probability test that losses would be utilised in the near future. In addition the same business test and ownership rules would need to be reviewed.

New Accounting Standards for Application in Current and Future Periods
The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements.

AASB 9 Financial Instruments and its consequential amendments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used. There was no impact to the Group other than additional disclosures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 – PARENT INFORMATION

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION	2015 $	2014 $
Current assets		
Cash and cash equivalents	49,772	292,831
Trade and other receivables	83,492	
Financial assets at fair value through profit or loss	1,400	1,008
Financial assets available for sale	17,262	46,043
Total current assets	**151,926**	**339,882**
Non-current assets		
Plant and equipment	5,929	4,481
Investments in subsidiaries	931,649	
Total non-current assets	**937,578**	**4,481**
Total assets	**1,089,504**	**344,363**
Current liabilities		
Overdraft	-	-
Trade and other payables	761,234	285,371
Borrowings	20,416	25,706
Total current liabilities	**781,650**	**311,077**
Non-current liabilities		
Borrowings	95,000	387,613
Total non-current liabilities	**95,000**	**387,613**
Total liabilities	**876,650**	**698,690**
Net assets	**212,854**	**(354,327)**
Equity		
Contributed equity	24,404,866	23,798,541
Options reserve	12500	-
Accumulated losses	(24,204,512)	(24,152,868)
Total equity	**212,854**	**(354,327)**

STATEMENT OF COMPREHENSIVE INCOME		
Total loss	(51,646)	(119,510)
Total comprehensive loss	(51,646)	(119,510)

2 – PARENT INFORMATION (Cont.)

Guarantees and Contingent Liabilities

Broad Investments Limited had guaranteed the obligations of its previously owned subsidiary Managed Asset Services Pty Ltd (MAS), (which was previously known as Mirrus Pty Ltd), in respect to its managed services contract with AAPT Limited. MAS is no longer a subsidiary of the Company, and AAPT has essentially terminated the managed services contract and the position of the continuing guarantee is uncertain, although the board believes it is no longer applicable.

Contractual Commitments

At 30 June 2015 Broad Investments Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014: Nil).

3 – REVENUE

	Consolidated	
	2015	2014
	$	$
From continuing operations		
Sales revenue	7,736,010	3,803,738
Other Revenue		
Interest revenue - other	1,981	2,551
Rental income	78,050	-
Miscellaneous income – other	40,403	1,250
	120,434	3,801
TOTAL REVENUE	**7,856,444**	**3,807,539**

4 – AUDITORS' REMUNERATION

	Consolidated	
	2015	2014
	$	$
Remuneration of the auditor of the parent entity for:		
- Review of the half year financial statements	13,500	32,000
- Audit of the full year financial statements	68,500	55,000
TOTAL AUDITORS' REMUNERATION	**82,000**	**87,000**

5 – EXPENSES

Profit / (loss) before income tax includes the following items of expense:

	Consolidated	
	2015	**2014**
	$	**$**
From continuing operations		
Expenses:		
Cost of sales	6,039,397	2,342,530
Finance costs		
Interest expense - other	38,778	37,285
Depreciation and amortisation of:		
Plant and equipment	14,006	6,065
Intangible non-current assets	-	-
	14,006	6,065
Lease payments:		
Office Rentals	310,760	93,603
Bad and doubtful debts:		
Trade debtors	-	(5,446)
Other debtors	-	-
	-	(5,446)
Impairment of assets:		
Current		
Financial assets	28,391	69
Inventory	-	-
	28,391	69
Non-current		
Intangible assets amortised	21,490	-
Net realised loss on short-term investments	-	6,849
Gain on bargain purchase	(557,335)	-
Mirrus Holdings Pty Ltd – DOCA contribution	300,000	
Reversal of expenses and accruals no longer payable	1,201,632	-
Inventory write-off	-	16,634

6 – INCOME TAX EXPENSE

The prima facie income tax benefit on pre-tax accounting profit (loss) reconciles to the income tax benefit in the financial statements as follows:	**2015**	**2014**
Net profit / (loss) from ordinary activities	355,998	45,020
Income tax benefit calculated at 30% (2014: 30%) of operating profit / (loss)	106,799	13,506
Permanent differences		
Profit / (Loss) on sale of financial assets	-	2,055
Impairment of investments	(28,391)	21
Impairment of goodwill on acquisition		-
Amortisation of customer contract		-
Amortisation of client lists		-
Loss on disposal of fixed assets		-
Non-deductible expenses		-
Permanent differences in income tax	(28,391)	2,076
Income tax expense / (benefit) adjusted for permanent differences for operating profit / (loss) and discontinued operations (i)	78,408	15,582
Deferred tax assets not brought to account	(78,408)	(15,582)
Total income tax (benefit) / expense on operating loss calculated at 30% (2014: 30%)	-	-
Current tax	(222,686)	(284,920)
Deferred tax	144,278	269,338
Deferred tax not recognised	78,408	15,582
	-	-
The deferred tax asset balance not recognised at year end was:		
Income tax losses	8,976,568	9,054,976
Temporary differences	769,538	769,538
	9,746,106	9,824,514

(i) There was no income tax expense for discontinued operations

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

7 – EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculations of basic earnings per share are as follows:

	Consolidated	
	2015 Cents per Share	**2014 Cents per Share**
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of the Company:		
Basic profit/(loss) per share (cents)	0.0322	0.005
Diluted profit/(loss) per share (cents)	0.0319	0.005
Profit/(Loss) per share attributable to the ordinary equity holders of the Company:		
Basic profit/(loss) per share (cents)	0.0322	0.005
Diluted profit/(loss) per share (cents)	0.0319	0.005
Profit/(Loss) per share		
(a) Basic profit/(loss) per share		
Profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company	0.0322	0.005
Profit/(loss) per share from discontinued operations		-
Total Profit/(loss) per share attributable to the ordinary equity holders of the company	0.0322	0.005
(b) Diluted Profit/(loss) per share		
Diluted profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company	0.0319	0.005
Diluted profit/(loss) per share from discontinued operations		-
Total diluted profit/(loss) per share attributable to the ordinary equity holders of the company	0.0319	0.005
(c) Reconciliation of profit/(loss) used in calculating earnings per share		
Basic profit/(loss) per share		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic loss per share		
from continuing operations	355,998	45,020
from discontinued operations		-
	355,998	45,020
Diluted loss per share		
Diluted profit/(loss) attributable to the ordinary equity holders of the company used in calculating diluted loss per share		
from continuing operations	355,998	45,020
from discontinued operations		-
	355,998	45,020
(d) Weighted average number of shares used as the denominator		**No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,105,373,504	853,153,033
Weighted average number of dilutive options outstanding	8,128,415	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	1,113,501,919	853,153,033

7 – EARNINGS PER SHARE (Cont.)

Issue of securities after reporting date
No securities have been issued after 30 June 2015.

8 – OPERATING SEGMENTS

Segment Information
Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:
- The products sold and/or services provided by the segment;
- The type or class of customer for the products or service;
- The distribution method; and
- External regulatory requirements.

Types of services by segment
Managed services
The managed services segment provides the provision of services to telecommunications and ICT companies.

Share trading & investments
Trading and investing in ASX listed entities or up-coming floats.

Retail Sales
The Retail sales segment includes the sale of Apple products and consumables and accessories to retail customers, the education sector and to business customers.

8 – OPERATING SEGMENTS (Cont.)

Types of services by segment (cont.)
Exploration Mining
Mining exploration through the 100% owned subsidiary Pangaea Metals Ltd. This segment ceased operating as at 30 June 2011, but may be resumed at a later date when market conditions allow.

Telecommunication services
The telecommunications services segment provides the provision of telecommunications equipment and services to all types of customers. This segment was due to the acquisition of Unified Business Communications Group Pty Ltd on 21 December 2011.

Corporate
A segment that handles corporate and administrative matters.

Basis of accounting for purposes of reporting by operating segments
Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions
Corporate charges are allocated to reporting segments based on an assessment of the overall proportion of work generated by that segment. The chief executive officer believes this is representative of likely head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

All inter-segment transactions are eliminated on consolidation for the Group's financial statements.

Segment assets
All segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct provisions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

8 – OPERATING SEGMENTS (Cont.)

Segment performance

30 June 2015	**Managed Services**	**Apple Reseller**	**Share Trading & Investments**	**Telecommunication Services**	**Corporate**	**TOTAL**
	$		**$**	**$**	**$**	**$**
Revenue						
External sales	1,557,319	6,093,942	-	290,613	437,405	8,379,279
Inter-segment sales	-	-	-	-	454,500	454,500
Interest revenue	369	138	-	-	1,475	1,982
Other income	-	32,519	-	-	-	32,519
Costs-Sale of Shares	-	-	-	-	-	-
Other operating revenue				-	-	-
Total segment revenue	**1,557,688**	**6,126,599**	**-**	**290,613**	**893,380**	**8,868,280**
Reconciliation of segment revenue to group revenue						
Inter-segment elimination					(454,500)	**454,500**
Total group revenue						8,413,735
Segment net profit/(loss) before tax	**904,904**	**185,940**	**(28,391)**	**(2,247)**	**(85,939)**	**974,267**
Reconciliation of segment result to group net profit/(loss) before tax						**974,267**
Inter-segment elimination					(618,269)	**(618,269)**
Net profit before tax						**355,998**
Other segment information						
Interest expense	9,797	11,878	-	5,228	11,876	38,779
Depreciation and amortisation expense	1,735	9,739	-	1,455	1,077	14,006
Impairment of current assets	-	-	28,391	-	-	28,391

8 – OPERATING SEGMENTS (Cont.)

30 June 2014	Managed Services	Share Trading & Investments	Telecommunication Services	Corporate	TOTAL
	$	$	$	$	$
Revenue					
External sales	3,580,333	-	223,405	-	3,803,738
Inter-segment sales	-	-	57,420	470,000	527,420
Interest revenue	514	-	-	2,037	2,551
Proceeds-Sale of Shares	-	22,868	-	-	22,868
Costs-Sale of Shares	-	(29,717)	-	-	(29,717)
Other operating revenue	-	-	-	1,250	1,250
Total segment revenue	**3,580,847**	**(6,849)**	**280,825**	**473,287**	**4,328,110**
Reconciliation of segment revenue to group revenue					
Inter-segment elimination					(527,420)
Total group revenue					**3,800,690**
Segment net profit/(loss) before tax	**(276,243)**	**(7,142)**	**(17,723)**	**(149,766)**	**(450,874)**
Reconciliation of segment result to group net profit/(loss) before tax					
Inter-segment elimination					495,894
Net profit before tax					**45,020**
Other segment information					
Interest expense	7,061	-	3,229	26,995	37,285
Depreciation and amortisation expense	3,754	-	1,655	656	6,065
Impairment of current assets	-	69	-	-	69
Net bad & doubtful debts	(7,508)	-	2,062	-	(5,446)

Segment assets

As at 30 June 2015	**Managed Services**	**Apple Reseller**	**Share Trading & Investments**	**Telecommu-nication Services**	**Corporate**	**TOTAL**
	$	**$**	**$**	**$**	**$**	**$**
Segment assets	-	2,462,421	18,662	(346,229)	980,238	3,115,092
Segment asset increases for the period						
Acquisitions	-	-	-	-	-	-
Reconciliation of segment assets to group assets						
Inter-segment eliminations						
Total group assets						**3,115,092**
Other segment information						
Acquisition of plant and equipment						
Acquisition of share options						

Segment assets

As at 30 June 2014	**Managed Services**	**Share Trading & Investments**	**Telecommu-nication Services**	**Corporate**	**TOTAL**
	$	**$**	**$**	**$**	**$**
Segment assets	344,100	47,051	33,435	297,403	721,989
Segment asset increases for the period					
Acquisitions	1,236	1,250	-	-	2,486
Reconciliation of segment assets to group assets					
Inter-segment eliminations					-
Total group assets					**721,989**
Other segment information					
Acquisition of plant and equipment	1,236	-	-	-	1,236

8 – OPERATING SEGMENTS (Cont.)

Segment liabilities

As at 30 June 2015	Managed Services $	Apple Reseller	Share Trading & Investments $	Telecommu-nication Services $	Corporate $	TOTAL $
Segment liabilities	-	1,778,320	-	177,578	820,852	2,776,750
Reconciliation of segment liabilities to group liabilities						
Inter-segment eliminations						
Total group liabilities						**2,776,750**

As at 30 June 2014	Managed Services $	Share Trading & Investments $	Telecommu-nication Services $	Corporate $	TOTAL $
Segment liabilities	938,806	-	554,995	6,004,576	7,498,377
Reconciliation of segment liabilities to group liabilities					
Inter-segment eliminations					(6,139,907)
Total group liabilities					**1,358,470**

(a) Geographical segments
The consolidated entity operates primarily within Australia.

(b) Major customer
The Group has customers to whom it provides services.

In 2014 the Group supplied a single external customer in the managed services segment who accounted for 93.62% of external revenue. The next most significant client accounted for 0.52% of external revenue in 2014. However, these operations ceased in the 2015 year and the Company is no longer reliant on one major customer. Going forward, the Company's Apple reseller operation, which is a retail operation and also sells to the education and business sector, will be the major business of the Company.

9 – CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	**2014**
	$	**$**
Cash at bank	**114,811**	**311,635**

Reconciliation of cash
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	114,811	311,635
Bank overdrafts	-	-
	114,811	311,635

The group and the parent entity's exposure to interest rate risk are discussed in Note 23.

10 – TRADE AND OTHER RECEIVABLES

Current:		
Trade Debtors	143,483	39,915
Less: Provision for impairment of receivables	(7,077)	(7,077)
	136,406	32,838
Loans		
Other loans – not related	524,112	524,112
Less: Provision for impairment of receivables	(524,112)	(524,112)
	-	-
Other debtors (i)	218,927	-
Prepayments	-	34,366
Accrued revenue	-	257,516
Total trade and other receivables	**355,333**	**324,720**
Less: Prepayments	-	(34,366)
Total current financial assets – Note 23	**355,333**	**290,354**

(i) Other debtors movements were:		
Balance as at 1 July	-	-
Additions	218,927	-
Amounts received	-	-
Less: Provision for impairment of receivables	-	-
Balance as at 30 June	**218,927**	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

10 – TRADE AND OTHER RECEIVABLES (cont.)

(a) Provision for Impairment of receivables

(b) As at 30 June 2015 $531,189 of current receivables were impaired (2014 - $531,189), which was similar to last year's figure and was in relation to the same assets as impaired in that year. A conservative approach has been taken in respect to the provisions made against such receivables and they have been fully impaired if no movements have occurred in the accounts for a period of time, although it is possible that some of the amounts impaired may eventually be recovered.

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

	Consolidated	
	2015	**2014**
Trade receivables	**$**	**$**
Balance as at 1 July	(7,077)	(12,522)
Provision for impairment written back	-	5,445
Provision for impairment recognised during the year	-	-
Balance as at 30 June	**(7,077)**	**(7,077)**
Other debtors		
Balance as at 1 July	(524,112)	(533,964)
Provision for impairment written back	-	9,852
Balance as at 30 June	**(524,112)**	**(524,112)**

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(c) Past due but not impaired

As of 30 June 2015, trade receivables of $12,869 (2014 - $2,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of the current trade receivables is as follows:

	Consolidated	
	2015	**2014**
	$	**$**
Current:		
Up to 3 months	136,406	32,838
Over 3 months	-	-
	136,406	**32,838**

(d) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group.

(e) Foreign exchange and interest rate risk

The Group has no receivables in foreign currencies. Interest rate risk in relation to receivables is provided in note 23.

10 – TRADE AND OTHER RECEIVABLES (cont.)

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 23 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

11 – INVENTORIES

	Consolidated	
	2015	**2014**
	$	**$**
At cost:		
Inventory on hand – finished goods	2,026,670	-
Allowance for impairment	-	-
	2,026,670	**-**

Inventory expense

Inventories recognised as expense during the year ended 30 June 2015 amounted to $Nil (2014 - $16,634).

12 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated	
	2015	**2014**
	$	**$**
ASX listed equity securities	14,000	14,000
Write-down of equity securities	12,600	(12,992)
	1,400	**1,008**

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'impairment of current assets' or 'other revenue' in the statement of comprehensive income.

The financial assets have been designated financial assets at fair value through profit and loss upon initial recognition. Shares held for trading are traded for the purpose of short-term profit taking.

Risk exposure

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and price risk is provided in note 23.

13 – INVESTMENTS

	Consolidated 2015 $	2014 $
Current:		
Financial assets available for sale		
Shares in quoted entities – at cost	1,321,319	1,321,319
Less: Allowance for diminution in value	(1,304,057)	(1,275,276)
Shares in quoted entities at fair value	17,262	46,043
Shares in unquoted entities – at cost	540,000	540,000
Less: Allowance for diminution in value	(540,000)	(540,000)
	17,262	**46,043**

(a) Unlisted securities

Unlisted securities are traded in inactive markets. Their fair value is determined based on the present value of net cash inflows from expected future interest or dividends and subsequent disposal of the securities.

Included in unlisted securities in both the consolidated and parent entity financial statements are shares in XS Platinum Ltd that are carried at NIL value (2014 – NIL). It may be that these shares will have a value in the future, however, being currently unlisted and having no determinable value they are currently carried at NIL value.

(b) Investments in related parties

Refer to note 24 for a list of the Group's subsidiaries.

(c) Impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the fair value classified as available-for-sale.

Available-for-sale financial assets are denominated in Australian and US currency. For an analysis of the sensitivity of available-for-sale financial assets to foreign currency, price and interest rate risk refer to note 23.

The movements in impairment of financial assets available for sale have been stated in the statements of changes of equity and comprehensive income is Nil (2014: $Nil). The movement is based on the change in bid price or management's assessment of recovery.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14 – PLANT AND EQUIPMENT

	Consolidated	
	2015	**2014**
	$	**$**
Plant & equipment		
At cost	815,999	184,521
Accumulated depreciation	(216,383)	(145,938)
Total plant & equipment at net written down value	**599,616**	**38,583**
Reconciliations		
Plant & equipment		
Carrying amount at beginning of year	38,583	43,412
Additions	2,525	1,236
Additions through business combinations (at WDV/director's valuation)	572,514	-
Disposals		-
Depreciation	(14,006)	(6,065)
Carrying amount at end of year	**599,616**	**38,583**

15– INTANGIBLE ASSETS

Intangible assets, other than goodwill, have finite useful lives. The current amortisation for intangible assets is included under 'depreciation and amortisation expense' in the statement of comprehensive income.

Consolidated goodwill - indefinite		
Cost	21,490	4,408,561
Accumulated impairment	(21,490)	(4,408,561)
	-	-
Identifiable customer contract - finite		
Cost	1000,000	1,000,000
Accumulated amortisation	1,000,000	(1,000,000)
	-	-
Customer lists acquired		
Cost	181,897	181,897
Accumulated amortisation	(181,897)	(181,897)
	-	-
Total Intangible assets	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

15 – INTANGIBLE ASSETS (Cont.)

Consolidated	Managed Services Goodwill	Apple Reseller	Managed Services Customer Contract	Telecommunications Goodwill	Telecommunications Customer Lists	TOTAL
30 June 2015						
Opening net book amount	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-
Amortisation expense	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Closing net book amount	**-**	**-**	**-**	**-**	**-**	**-**

Consolidated	Managed Services Goodwill	Managed Services Customer Contract	Telecommunications Goodwill	Telecommunications Customer Lists	TOTAL
30 June 2014					
Opening net book amount	-	-	-	-	-
Acquisition	-	-	-	-	-
Amortisation expense	-	-	-	-	-
Impairment charge	-	-	-	-	-
Closing net book amount	**-**	**-**	**-**	**-**	**-**

(i) Impairment disclosures

Goodwill is allocated to cash generating units which are based on the Group's relevant reporting segments.

	2015 $	2014 $
Goodwill		
Managed Services- Mirrus Pty Limited	-	-
Telecommunication services- Unified Business Communications Group Pty Limited	-	-
TOTAL	-	-

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

15 – INTANGIBLE ASSETS (Cont.)

(ii) Amortisation charge

Managed Asset Services Pty Ltd – customer contracts
Amortisation is included in amortisation expenses in the statement of comprehensive income. The final amortisation period for customer contracts ended in the last financial year.

Unified Business Communications Group Pty Ltd – client lists
The client lists were fully amortised during the last financial year.

(iii) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units identified according to business segments.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16 – TRADE AND OTHER PAYABLES

	Consolidated 2015 $	2014 $
Current (unsecured):		
Trade creditors (i)	1,376,745	962,042
GST / PAYG payable	219,024	216,766
Sundry creditors and accrued expenses	713,175	116,506
	2,308,944	**1,295,314**

(i) Included in trade creditors are accounts payable to related parties of $229,424 (2014: $134,576)

17 – BORROWINGS

	2015	2014
Current (unsecured):		
Bank overdraft	-	-
Loan by related party – amortised cost	279,751	25,705
	279,751	**25,705**
Balance as at 1 July	25,706	190,279
Additions	696,226	87,325
Re-payments	(442,181)	(251,899)
Balance as at 30 June	**279,751**	**25,705**
Non-Current (Unsecured)		
Balance as at 1 July	-	-
Additions	95,000	-
Re-payments	-	-
Balance as at 30 June	**95,000**	**-**

The loans are charged at either 10% interest or are interest free. The loans are due for repayment on demand.

The carrying amounts represent the fair values of borrowings at balance date. Details of the Groups exposure to risks arising from current borrowings are set out in note 23.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18 – PROVISIONS

	Consolidated 2015 $	Consolidated 2014 $
Annual leave	10,315	21,807
Long service leave	82,740	15,644
Total provisions	**93,055**	**37,451**
Balance as at 1 July	37,451	32,032
Additions	82,740	7,196
Amounts used	(27,136)	(1,777)
Balance as at 30 June	**93,055**	**37,451**

The measurement and recognition criteria relating to employee benefits have been discussed in Note 1.

19 – CONTRIBUTED EQUITY

Share capital	Consolidated 2015 $	Consolidated 2014 $
1,628,889,941 (2014: 853,153,033) fully paid ordinary shares	24,403,121	23,796,796

Ordinary shares	2015 No.	2015 $	2014 No.	2014 $
Movements during the year				
Balance at beginning of financial year	853,153,033	23,796,796	853,153,033	23,964,796
Issue of shares:				
- 04/03/15 shares @ $0.001 each	574,149,098(i)	574,149	-	-
- 04/03/15 shares @ $0.001008 each	201,587,810(ii)	203,176	-	-
Redemption of Convertible notes:			-	-
- 04/03/15 85,500,000 @ $0.002 each (iii)	-	(171,000)	-	-
Redemption of convertible notes:				
- 4/4/14 82,500,000 convertible notes @ $0.002 each (iii)			-	(165,000)
Share redemption fees		-	-	(3,000)
Total consolidated entity movements during the year	**775,736,908**	**606,325**	**-**	**(168,000)**
Balance for consolidated entity at end of financial year	**1,628,889,941**	**24,403,121**	**853,153,033**	**23,796,796**

(i) 574,149,098 shares issued for acquisition of subsidiary companies.

(ii) 201,587,810 shares were issued to assist with cash required for redemption of convertible notes plus associated accrued interest.

(iii) Redemption of two parcels of 82,500,000 and 85,500,000 convertible notes, expiry date of 28 February 2016, occurred in April, 2014 and March, 2015 respectively.

19 – CONTRIBUTED EQUITY (cont.)

(a) Dividends
No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year. (30 June 2014: NIL).

(b) Authorised capital
The number of shares authorised is the same as paid ordinary shares.

(c) Par value
The shares have no par value.

(d) Additional issue
Since the end of the Financial Year no shares have been issued.

(e) Ordinary shares
Fully paid ordinary shares carry one vote per share and the right to dividends.

(f) Share Options and Convertible Notes
25,000,000 share options were outstanding at balance date.
Set out below is a summary of the movements in options and convertible notes during the year for Broad Investments Limited.

Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Redeemed during the year Number	Balance at end of the year Number
2015						
Convertibles						
Weighted average exercise price		$0.0005		25,000,000		25,000,000
Total				**25,000,000**		**25,000,000**

The weighted average share price at the date of exercise of convertible notes during the year ended 30 June 2015 was $0.002 (2014 – $0.002). However, no convertible notes were converted during the year.

The weighted average remaining contractual life of convertible notes outstanding at the end of the period was Nil years (2014 – 1.67 years). All Convertible Notes were redeemed during the year.

Since the end of the financial year no options or convertible notes have been issued.

The method used for pricing the issued options was the Black Scholes method and the following criteria were used:

- Strike price
- Stock price
- Time (days) left to Option expiry
- Volatility (%)
- Risk free interest rate (%)

19 – CONTRIBUTED EQUITY (cont.)

Set out below is a summary of the movements in options outstanding during the previous financial year for Broad Investments Limited.

Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Expired/ Redeemed during the year Number	Balance at end of the year Number
2014 Convertibles						
28 February 2014	28 February, 2016	$0.002	168,000,000	-	(82,500,000)	85,500,000
Weighted average exercise price			$0.002	-	$0.002	$0.002
2015 Convertibles	28 February, 2016	$0.002	85,500,000	-	(85,500,000)	-
Total			**168,000,000**		**(168,000,00)**	

Shares and Options are issued at the discretion of the Directors and where appropriate or necessary, with the approval of shareholders.

(g) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The chief executive of the Group and the parent entity monitors capital in coordination with directors.

There have been no changes in the strategy adopted to control the capital of the Group since the prior year. The gearing ratios for the year ended 30 June 2015 and 30 June 2014 are:

		Consolidated	
	Note	2015 $	2014 $
Total borrowings	17	374,751	25,705
Less cash and cash equivalents	9	(114,811)	(311,635)
Net debt		259,940	(285,930)
Total equity		338,342	(636,481)
Total capital		**598,282**	**(922,411)**
Gearing ratio		43%	31%

20 – RESERVES & ACCUMULATED LOSSES

(a) Reserves

	Consolidated	
	2015	**2014**
	$	**$**
Reserves		
Options reserve	12,500	-
	12,500	**-**
Movements		
Available-for-sale investments revaluation reserve		
Balance at beginning of financial year	-	-
Net movement in value of financial assets available-for-sale	-	-
Balance at end of financial year	**-**	**-**
Options reserve		
Balance at beginning of financial year	-	1,146,000
Net movements attributed to members of the parent entity	12,500	(1,146,000)
Balance at end of financial year	**12,500**	**-**

(b) Accumulated losses

Movements		
Balance at beginning of financial year	(24,433,277)	(25,671,898)
Transfer from reserves	-	1,146,000
Adjustment to prior Year Losses – Note b(i)		47,601
Net profit / (loss) attributed to members of the parent entity	355,998	45,020
Balance at end of financial year	**(24,077,279)**	**(24,433,277)**

Note b(i): Reversal of prior year accrual

21 – DISCONTINUED OPERATIONS

The operation of Mirrus Holdings Pty Limited was discontinued during the financial year ended 30 June 2015.

22 - NOTES TO THE STATEMENTS OF CASH FLOWS

	Consolidated	
	2015 $	2014 $
(a) Reconciliation of Cash For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks, deposits and negotiable instruments that are fully liquid, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statement of financial Position as follows:		
Cash and cash equivalents	114,811	311,635
Overdraft		-
Cash	**114,811**	**311,635**
(b) Reconciliation of loss after income tax to net cash flows from operating activities		
Profit / (loss) after related income tax	355,998	45,020
Add / (less) investing & financing activities:		
Proceeds from sale of equity investments	-	(22,868)
Cost of sale of equity investments	-	29,717
Write-off of goodwill of subsidiaries	21,490	-
Add / (less) non-cash items:		
Depreciation and amortisation	14,006	6,065
Impairment of non-current assets		-
Impairment of financial assets	28,389	69
Other	-	47,825
Net cash provided by / (used in) operating activities before changes in assets and liabilities	**419,883**	**105,828**
Changes in assets and liabilities during the financial year:		
(Increase) / decrease in assets		
Trade debtors	(103,568)	(10,353)
Other debtors	72,955	50,566
Inventories	(2,026,670)	16,634
Non-current receivables	-	-
Increase / (decrease) in liabilities		
Trade & other payables	2,177,812	171,659
Provisions	93,055	5,419
Net cash provided by / (used in) operating activities	**633,467**	**339,753**

23 – FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's activities expose it to variety of financial risks: market risk (including interest rate risk and price risk), creditor risk and liquidity risk. The Group'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 Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange where applicable and other price risks and aging analysis for credit risk.

The consolidated entity's financial instruments consist mainly of deposits with banks and other parties, short and long-term equity investments, accounts receivable and payable, and loans to and from subsidiaries and other parties. The consolidated entity has speculated in the trading of equity investments. No derivative financial instruments were used by the consolidated entity.

All risk management is carried out by the Executive Chairman in consultation with the Board of Directors and from time to time outside advisors.

(b) Specific Financial Risk Exposures and Management

(i) Interest Rate Risk

It is the policy of the consolidated entity to keep only a small level of cash in the main bank account. The remainder of the cash is kept in an interest-bearing savings account with a floating interest rate. Loans to, and from, related parties have earned, and/or paid, interest at a rate of 10-12% per annum. There has been a provision applied to a third party debt for the repayment of interest and principal. The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out in note 23(c).

(ii) Foreign Currency Risk

As at 30 June 2015, the consolidated entity was not exposed to fluctuations in foreign currencies arising from the purchase of share investments in currencies other than the group's measurement currency.

The Group's exposure to foreign currency risk at the reporting date was as follows, and the carrying amounts of the parent entity's financial assets and liabilities are denominated in Australian dollars except as set out below:

	30 June 2015 US$	30 June 2014 US$
Financial assets available for sale	-	4,143

23 – FINANCIAL RISK MANAGEMENT (cont.)

(b) Specific Financial Risk Exposures and Management – (cont.)

(iii) Liquidity Risk

The consolidated entity manages liquidity risk by monitoring forecast cash flows. Borrowings are expected to be needed for the 2014-2015 financial year. Borrowings are used to fund cashflows, as required, from related parties.

(iv) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date 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. There are no amounts of collateral held as security at balance date.

The consolidated entity's exposure to credit risk arises primarily from its carrying on business in the telecommunications industry and loans to related entities. Credit risk is managed on a group basis and reviewed regularly by the executive chairman and referred to the Board. The consolidated entity is materially exposed to a substantial single customer in the telecommunications industry but to date almost all payments have been timely or ahead of schedule and the Board considers the customer as a low credit risk. The consolidated entity is not materially exposed to any overseas country.

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions generally all risk is accepted. For customers and other debtors, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are based on limits set by the Executive Chairman exercising Board policy. The compliance with credit limits is regularly monitored by the accountant. Sales to customers are settled by credit terms of 30 days from date of invoice.

(v) Price Risk

The group is exposed to price risk through its share investments in the equity of corporations, classified on the statement of financial position and through the statement of comprehensive income as available for sale. Most of these investments were in ASX listed companies.

To manage its price risk arising from investments in equity securities the Group has access to market reports on various stocks and regularly liaises with it brokers to keep abreast of market fluctuations. It considers information from various sources including financial magazines, investor reports and analysts' reports and information provided by companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23 – FINANCIAL RISK MANAGEMENT (cont.)

(c) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted Average Effective Interest Rate (Per Annum)		Floating Interest Rate Within 1 Year	
Consolidated Group	**2015 %**	**2014 %**	**2015 $**	**2014 $**
Financial assets - current				
Cash assets	1%	1%	114,811	311,635
Total Financial Assets - current			**114,811**	**311,635**
Financial liabilities - current				
Overdraft	-	6%	-	-
Trade and other payables – amortised cost	-	10%	-	-
Total Financial Liabilities - current			**-**	

	Fixed Interest Rate Within 1 Year		Non-Interest Bearing	
Consolidated Group	**2015 $**	**2014 $**	**2015 $**	**2014 $**
Financial assets - current				
Trade and other receivables – amortised cost	-	-	355,333	290,354
Financial assets at fair value through profit and loss	-	-	1,400	1,008
Inventories	-	-	2,026,670	-
Financial assets available for sale	-	-	17,262	46,043
Total Financial Assets - current	**-**	**-**	**2400,665**	**337,405**
Financial liabilities - current				
Trade and other payables – amortised cost		-	2,308,944	1,295,314
Borrowings related parties – amortised cost	-	-	279,951	25,705
Total Financial Liabilities - current	**-**	**-**	**2,588,895**	**1,321,019**
Financial liabilities – non-current				
Borrowings related parties – amortised cost	-	-	-	-
Borrowings – amortised cost	-	-	95,000	-
Total Financial Liabilities – non-current	**-**	**-**	**95,000**	**-**

23 – FINANCIAL RISK MANAGEMENT (cont.)

(c) Financial instrument composition and maturity analysis (cont.)

Consolidated Group	2015 $	2014 $
Financial assets - current		
Cash assets	114,811	311,635
Inventories	2,026,670	-
Trade and other receivables – amortised cost	355,333	290,354
Financial assets at fair value through profit and loss	1,400	1,008
Financial assets available for sale	17,262	46,043
Total Financial Assets - current	**2,515,476**	**649,040**
Financial liabilities - current		
Overdraft	-	-
Trade and other payables – amortised cost	2,308,944	1,295,314
Borrowings related parties – amortised cost	279,751	25,705
Total Financial Liabilities - current	**2,588,895**	**1,321,019**
Financial liabilities – non current		
Borrowings related parties – amortised cost	95,000	-
Borrowings – amortised cost	-	- -
Total Financial Liabilities – non-current	**95,000**	**-**

Trade and sundry payables are expected to be paid as follows:

	Consolidated	
	2015 **$**	**2014** **$**
Less than 6 months	2,078,050	1,165,782
6 months to 1 year	230,894	129,532
1 to 5 years		-
TOTAL	**2,308,944**	**1,295,314**

23 – FINANCIAL RISK MANAGEMENT (cont.)

(d) Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment or in accordance with any agreement.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

	2015		2014	
	Net Carrying Value $	**Net Carrying Value $**	**Net Carrying Value $**	**Net Fair Value $**
Financial Assets				
Cash and cash equivalents	114,811	114,811	311,635	311,635
Inventories	2,026,670	2,026,670	-	-
Trade and other current receivables	355,333	355,333	290,354	290,354
Available-for-sale financial assets at fair value	18,662	18,662	47,051	47,051
TOTAL	**2,515,476**	**2,515,476**	**649,040**	**649,040**
Financial Liabilities				
Overdraft	-	-	-	-
Trade and other payables	2,308,944	2,308,944	1,295,314	1,295,314
Amounts payable related parties	374,751	374,751	25,705	25,705
TOTAL	**2,683,695**	**2,683,695**	**1,321,019**	**1,321,019**

23 – FINANCIAL RISK MANAGEMENT (cont.)

(d) Net Fair Values (cont.)

The fair values disclosed in the above table have been determined based on the following methodologies:

- Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

- For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2015	**Level 1 $**	**Level 2 $**	**Level 3 $**	**TOTAL $**
Financial Assets				
Financial assets at fair value through profit or loss:				
- Investments held-for-trading	1,400	-	-	--
Available for sale financial assets:				
- Listed investments	17,262	-	-	-
TOTAL	**18,662**	**-**	**-**	**-**

23 – FINANCIAL RISK MANAGEMENT (cont.)

(d) Net Fair Values (cont.)

2014	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**TOTAL** **$**
Financial Assets				
Financial assets at fair value through profit or loss:				
- Investments held-for-trading	1,008	-	-	1,008
Available for sale financial assets:				
- Listed investments	46,043	-	-	46,043
TOTAL	**47,051**	**-**	**-**	**47,051**

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

(e) Sensitivity Analysis

The group has performed sensitivity analysis relating to its exposure to foreign currency risk, price risk and interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

(i) Foreign Currency Risk Sensitivity Analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar, with all other variables remaining constant is as follows:

	Consolidated Group	
	2015 **$**	**2014** **$**
Change in Profit		
Improvement in AUD to USD by 10%	-	377
Decline in AUD to USD by 10%	-	(460)
Change in Equity		
Improvement in AUD to USD by 10%	-	377
Decline in AUD to USD by 10%	-	(460)

(ii) Price Risk Sensitivity Analysis

At 30 June 2015, the effect on profit and equity as a result of changes in the price risk, with all other variables remaining constant would be as follows:

Change in Profit		
Increase in ASX Share prices by 10%		6
Decrease in ASX Share prices by 10%		(8)
Change in Equity		
Increase in ASX Share prices by 10%	(1,696)	(4,277)
Decrease in ASX Share prices by 10%	2,073	5,228

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

23 – FINANCIAL RISK MANAGEMENT (cont.)

(e) Sensitivity Analysis (cont.)

(iii) Interest Rate Risk Sensitivity Analysis

At 30 June 2015 the effect on profit and equity as a result of changes in the interest rate risk, with all other variables remaining constant would be as follows:

	Consolidated Group	
	2015 $	2014 $
Change in Profit		
Increase in variable interest rate of 1%	1,146	3,116
Decrease in variable interest rate of 1%	(1,146)	(3,116)
Change in Equity		
Increase in variable interest rate of 1%	1,146	3,116
Decrease in variable interest rate of 1%	(1,146)	(3,116)

The above foreign exchange rate and price risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

24 - CONTROLLED ENTITIES

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

Name of Company	Interest held by each parent entity		
	Class of Shares	2015 %	2014 %
BROAD INVESTMENTS LIMITED			
Broad Securities Pty Ltd	Ordinary	100	100
Broad IP Pty Ltd	Ordinary, A, B, & C	100	100
Glovebox Pty Ltd	Ordinary	100	100
Pangaea Metals Ltd	Ordinary	100	100
Unified Business Communications Group Pty Ltd	Ordinary	100	100
Broad Property Holdings Pty Ltd (i)	Ordinary	100	100
Repaircom Pty Ltd	Ordinary	100	100
Concise Pty Ltd	Ordinary	100	100
MyMac (Australia) Pty Ltd	Ordinary	100	100
Monsta Industries Unit Trust	Units	100	100
MonstaPOS Unit Trust	Units	100	100

(i) Changed name from MTX Holdings Pty Ltd on 19 September 2012.

Each of the above companies is incorporated in Australia.
The proportion of ownership interest is equal to the proportion of voting power held.

25 – COMMITMENTS

	Consolidated Group	
	2015	**2014**
	$	**$**
Lease Commitments (i)		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, is as follows:		
Within one year	124,724	-
Later than one year but not later than five years	197,479	-
	322,203	**-**
Representing:		
Operating lease on premises at Sydney Head Office	**322,203**	**-**

(i) The group occupies premises in Sydney. The above amount represents the commitments for the lease for those premises in Sydney.

26 – RELATED PARTY TRANSACTIONS

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

(a) Ultimate Parent Company

The parent entity and ultimate parent entity within the Group is Broad Investments Limited.

(b) Subsidiaries

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Revenue				
Administration service fee paid by Mirrus Holdings Pty Limited, a wholly-owned controlled entity of Broad Investments Limited up to 29 June, 2015	-	-	300,000	470,000
Administration service fee paid by MyMac (Australia) Pty Ltd, a wholly-owned controlled entity of Broad Investments Limited	-	-	64,500	-
Administration service fee paid by Unified Business Communications Group Pty Ltd, a wholly-owned controlled entity of Broad Investments Limited	-	-	-	20,958
TOTAL	**-**	**-**	**364,500**	**490,958**

(c) Directors

The names of each person holding the position of Director of Broad Investments Limited during the financial year were:

Director	Position	Appointment Date	Resignation Date
Vaz Hovanessian	Executive Chairman	30 December 2003	-
Johannes Scholtz	Non-executive Director	30 May 2005	-
Neil Gibson	Non-executive Director	22 September 2006	28 November 2014
Catherine Bray	Non-executive Director	10 November 2014	-
Gary Franklin	Non-executive Director	15 April 2015	-
Steven Bardel	Executive Director	15 April 2015	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

26 – RELATED PARTY TRANSACTIONS (cont.)

(d) Other Key Management Personnel

Key Management Person	Position	Employer
Andrew Bray (appointed 14 June 2011)	Director – UBCG	UBCG Pty Ltd

(e) Key management personnel compensation

	Consolidated	
	2015 $	2014 $
Short-term employee benefits	402,424	360,000
Post-employment benefits	-	-
TOTAL	**402,424**	**360,000**

The company has taken advantage of the relief provided and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in the remuneration report.

(f) Equity instrument disclosures relating to key management personnel

Share holdings

The number of shares in the company held during the financial year by each director of Broad Investments Limited and other key personnel of the Group, including their related parties, are set out below:

2015	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Directors			
Current			
Vaz Hovanessian	2,469,752	3,800,000	6,269,752
Cathy Bray	-	5,000,000	5,000,000
Johannes Scholtz	15,800,000	-	15,800,000
Steven Bardel	-	324,149,098	324,149,098
Other			
Current			
Andrew Bray	65,000,000	-	65,000,000

2014	Balance at the start of the year	Net changes during the year	Balance at the end of the year
Directors			
Current			
Vaz Hovanessian	2,469,752	-	2,469,752
Neil Gibson	8,750,000	7,250,000	16,000,000
Johannes Scholtz	15,800,000	-	15,800,000
Other			
Current			
Andrew Bray	65,000,000	-	65,000,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

26 – RELATED PARTY TRANSACTIONS (cont.)

(g) Other transactions with Directors

i. Directors

	Consolidated	
	2015	**2014**
	$	**$**
Directors fees paid to directors of parent entity	322,424	280,000
Directors fees paid to director of subsidiary UBCG	24,000	24,000
Total	**346,424**	**304,000**

ii. Other related parties

Broad Investments is a sub-tenant of ManageNet Pty Limited and ManageNet Pty Limited also provided IT & Computer Hosting services to the Broad subsidiary, Mirrus Holdings Pty Limited. Vaz Hovanessian is a Director and Shareholder of ManageNet. These expenses were negotiated at arm's length by senior management and directors of both companies which did not include Mr. Vaz Hovanessian. Expenses paid or reimbursed to ManageNet are as follows:

Rent & General Office Expenses	12,000	12,000
Hosting & IT Fees	1,035	48,120
Total	**13,035**	**60,120**

Management fees from Mirrus Holdings Pty Limited to Broad Investments	300,000	470,000
Management fees from UBCG to Broad Investments	-	20,958
Management fees from UBCG to Broad Investments	64,500	
Consulting fees paid to Andrew Bray Holdings Pty Ltd, a company of which Andrew Bray is a director and shareholder. Andrew Bray is director of subsidiary UBCG	56,000	56,000

(h) Amounts outstanding from related parties

i. Loans to other related parties:

Reimbursement due from ManageNet Pty Ltd, a director and shareholder related company of Vaz Hovanessian for telephone expenses. No interest will be charged and payment will be made within 30 days.

	Consolidated	
	2015	**2014**
	$	**$**
Balance as at 1 July	-	(40)
Loans advanced	-	40
Loan repayment received	-	-
Balance as at 30 June	-	-

26 – RELATED PARTY TRANSACTIONS (cont.)

(h) Amounts outstanding from related parties (cont.)

ii. Trade and other payables:

Amounts payable to other related parties:

Broad Investments is a trade creditor to ManageNet Pty Ltd, a company of which Vaz Hovanessian is a director and shareholder.	-	-
Broad Investments is a trade creditor to Raxigi Pty Ltd for unpaid directors fees, a company of which Vaz Hovanessian is a director and major shareholder.	155,000	110,000
Broad Investments is a creditor to S Data Investments Pty Ltd, a company of which Johan Scholtz is a director and major shareholder.	40,000	-
Mirrus Holdings Pty Ltd is a trade creditor to ManageNet Pty Ltd, a company of which Vaz Hovanessian is a director and shareholder.	-	17,664
UBCG Pty Ltd is a trade creditor to Andrew Bray Holdings Pty Ltd, a company of which Andrew Bray is a director and shareholder.	2,000	-
Broad Investments is a creditor to Cathy Bray	4,091	-
Broad Investments is a creditor to Neil Gibson.	28,333	20,000

iii. Borrowings:

Loans made to Broad Investments by Raxigi Pty Ltd, a company of which Vaz Hovanessian is a director and major shareholder. The loans are at 10% interest. The loans are due for repayment on demand.

	Consolidated	
	2015	**2014**
	$	**$**
Balance as at 1 July	25	190,279
Interest charged	-	-
Loans advanced	693,956	63,439
Loan repayment received	(416,500)	(253,693)
Balance as at 30 June	**277,481**	**25**

27 – CONTINGENT LIABILITIES

Broad Investments Limited had guaranteed the obligations of its previously owned subsidiary Managed Asset Services Pty Ltd (MAS), (which was previously known as Mirrus Pty Ltd), in respect to its managed services contract with AAPT Limited. MAS is no longer a subsidiary of the Company, and AAPT has essentially terminated the managed services contract and the position of the continuing guarantee is uncertain, although the board believes it is no longer applicable.

28 - SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

No material events have occurred subsequent to balance date.

CORPORATE DIRECTORY

Directors	Vaz Hovanessian – Executive Chairman Cathy Bray – Non executive Director Gary Franklin – Non-Executive Director Steven Bardel – Executive Director Johannes Scholtz – Non executive Director
Company Secretary	Vaz Hovanessian – Bach. Bus., M.App.Fin., CPA., FCSA., FGIA
Registered Office	Level10, 2 Bligh Street Sydney, NSW 2000 Postal: PO Box H125, Australia Square, NSW 1215 Telephone: (02) 8188 2556 Facsimile: (02) 9235 2203
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, WA. 6153 Postal: PO Box 535, Applecross, WA. 6953 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
Auditors	Crowe Horwath Sydney Level 15, 1 O'Connell Street Sydney, NSW. 2000
Legal Advisors	Weir & Strempel Barristers & Solicitors 50 Strathalbyn Street, East Kew, VIC. 3102
Bankers	Commonwealth Bank of Australia Ltd 120 Pitt Street SYDNEY NSW 2000
Securities Exchange Listing	The Company is listed on: Australian Securities Exchange ASX Code: BRO