SWIFT NETWORKS PTY LTD
A.B.N: 96 125 828 453

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

Liability limited by a scheme approved under
Professional Standards Legislation
SWIFT NETWORKS PTY LTD
A.B.N: 96 125 828 453

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## SWIFT NETWORKS PTY LTD
A.B.N: 96 125 828 453

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>11,865,623</td>
<td>21,137,308</td>
</tr>
<tr>
<td>Other income</td>
<td>3,892</td>
<td>299,807</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,869,515</td>
<td>21,437,115</td>
</tr>
<tr>
<td><strong>Changes in inventories of finished goods and work in progress</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>109,175</td>
<td>(160,793)</td>
</tr>
<tr>
<td>Raw materials and consumables used</td>
<td>(7,940,364)</td>
<td>(13,248,913)</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accountancy expenses</td>
<td>(13,432)</td>
<td>(28,957)</td>
</tr>
<tr>
<td>Advertising expenses</td>
<td>(39,390)</td>
<td>(2,570)</td>
</tr>
<tr>
<td>Depreciation and amortisation expenses</td>
<td>(243,181)</td>
<td>(233,575)</td>
</tr>
<tr>
<td>Employee benefits expenses</td>
<td>(1,883,202)</td>
<td>(3,640,795)</td>
</tr>
<tr>
<td>Freight and cartage</td>
<td></td>
<td>(21,864)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(1,375,327)</td>
<td>(1,686,335)</td>
</tr>
<tr>
<td></td>
<td>483,794</td>
<td>2,413,314</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>483,794</td>
<td>2,413,314</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(146,019)</td>
<td>(761,016)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>337,775</td>
<td>1,652,298</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>337,775</td>
<td>1,652,298</td>
</tr>
<tr>
<td>ASSETS</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>584</td>
<td>818,469</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3,544,725</td>
<td>3,168,136</td>
</tr>
<tr>
<td>Inventories</td>
<td>826,419</td>
<td>1,246,079</td>
</tr>
<tr>
<td>Other current assets</td>
<td>878,712</td>
<td>27,229</td>
</tr>
<tr>
<td>Tax receivable</td>
<td>20,721</td>
<td>(257,228)</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>5,271,161</td>
<td>5,002,685</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>202</td>
<td>456</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,181,775</td>
<td>1,058,664</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>66,050</td>
<td>67,141</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>1,249,727</td>
<td>1,124,961</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>6,520,888</td>
<td>6,127,646</td>
</tr>
</tbody>
</table>

| LIABILITIES                                                           |       |       |
| **CURRENT LIABILITIES**                                              |       |       |
| Trade and Other Payables                                             | 857,239 | 886,207 |
| Borrowings                                                            | 751,936 | 170,103 |
| Provisions                                                           | 113,351 | 128,017 |
| **TOTAL CURRENT LIABILITIES**                                        | 1,722,526 | 1,184,327 |
| **NON-CURRENT LIABILITIES**                                          |       |       |
| Trade and Other Payables                                             | 2,355,533 | 2,838,265 |
| **TOTAL NON-CURRENT LIABILITIES**                                    | 2,355,533 | 2,838,265 |
| **TOTAL LIABILITIES**                                                | 4,078,059 | 4,022,592 |
| **NET ASSETS**                                                       | 2,442,829 | 2,105,054 |

| EQUITY                                                                |       |       |
| Issued capital                                                        | 1     | 1     |
| Retained earnings                                                     | 2,442,828 | 2,105,053 |
| **TOTAL EQUITY**                                                     | 2,442,829 | 2,105,054 |
SWIFT NETWORKS PTY LTD
A.B.N: 96 125 828 453

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2014

1 Statement of Significant Accounting Policies

Swift Networks Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements. These financial statements have been prepared for the sole purpose of distributing the financial statements to the owners of Swift Networks Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the shareholders of Swift Networks Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB').

Functional and Presentation Currency

The financial statements have been presented in Australian dollars, which is the entity's functional currency.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
Income Tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
SWIFT NETWORKS PTY LTD  
A.B.N: 96 125 828 453

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

Leases

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

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits. In such a case where the entity is the lessor, the assist is still recognised in the company’s statement of financial position.

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

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

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.
Plant and Equipment (continued)

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

<table>
<thead>
<tr>
<th>Class of Fixed Asset</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Entertainment System</td>
<td>25% - 100%</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>25%</td>
</tr>
<tr>
<td>Office Fit Out &amp; Fixtures</td>
<td>10% - 50%</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>10% - 50%</td>
</tr>
<tr>
<td>Software</td>
<td>33.33% - 50%</td>
</tr>
<tr>
<td>Test Equipment &amp; Tools</td>
<td>25% - 40%</td>
</tr>
</tbody>
</table>

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

Trade and Other Receivables

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

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

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

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).
Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees at 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 expected to be settled more than twelve months after the end of the reporting period 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. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Trade and Other Payables

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

Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

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

Provisions

Provisions are recognised when the company 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.
SWIFT NETWORKS PTY LTD
A.B.N: 96 125 828 453

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Revenue and Other Income

Rendering of services
Rendering of services revenue is recognised by reference to the stage of completion of the contracts. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Equipment rental revenue
Revenue from the hire of equipment is recognised when the service is provided.

Interest revenue
Interest revenue is recognised using the effective interest rate method.

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

Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

R&D Incentives

Refundable tax incentives are accounting for as government grants under AASB 120. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.
SWIFT NETWORKS PTY LTD
A.B.N: 96 125 828 453

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes present fairly the company's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: __________________________
Mr Robert Sofoulis

Director: __________________________
Mrs Wendy Sofoulis

Dated: 9th day of December 2015
INDEPENDENT AUDITOR’S REPORT

To the members of Swift Networks Pty Ltd

Report on the Financial Statement

We have audited the accompanying financial statement of Swift Networks Pty Ltd which comprises the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2014, other explanatory information, and director’s declaration (together ‘the financial statement’). The financial statement has been prepared by the directors using the basis of preparation described in Note 1.

Directors’ Responsibility for the Financial Statement

The directors are responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note 1, and for such internal control as the directors determine are necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements. We confirm that the independence declaration required by the Australian professional ethical pronouncements which has been given to the directors of Swift Networks Pty Ltd, would be in the same terms if given to the directors as at the time of this auditors report.
Basis for Qualified Opinion

We did not observe the counting of physical inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2014, 2013 and 2012. Since opening and closing inventories affect the determination of the results of operations, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and the elements making up the Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2014, 2013 and 2012.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statement presents fairly, in all material respects, profit or loss and other comprehensive income of Swift Networks Pty Ltd for the year ended 30 June 2014, in accordance with the basis of preparation described in Note 1.

BDO Audit (WA) Pty Ltd

Jarrad Prue
Director

Perth, 9 December 2015
INDEPENDENT AUDITOR’S REPORT

To the members of Swift Networks Pty Ltd

Report on the Financial Statement

We have audited the accompanying financial statement of Swift Networks Pty Ltd which comprises the Statement of Financial Position for the year ended 30 June 2014, other explanatory information, and director’s declaration (together ‘the financial statement’). The financial statement has been prepared by the Directors using the basis of preparation described in Note 1.

Directors’ Responsibility for the Financial Statement

The Directors are responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note 1, and for such internal control as the Directors determine are necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements. We confirm that the independence declaration required by the Australian professional ethical pronouncements which has been given to the directors of Swift Networks Pty Ltd, would be in the same terms if given to the directors as at the time of this auditors report.
Basis for Qualified Opinion

We did not observe the counting of physical inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2014 and 2013 which are stated in the statement of financial position at $826,419 and $1,246,079, respectively. As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories in the Statement of Financial Position as at 30 June 2014 and 2013.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statement presents fairly, in all material respects, the financial position of Swift Networks Pty Ltd as at 30 June 2014, in accordance with the basis of preparation described in Note 1.

BDO Audit (WA) Pty Ltd

Jarrad Prue
Director

Perth, 9 December 2015